crimson tide

Annual Report and Accounts
2021

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crimson tide

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WHAT OUR CUSTOMERS SAY

“I just wanted to say thank you to the whole team at mpro5 – they covered more ground in the six weeks than our old system did in three years. This was the first step in realising my vision for the Estates Department at CWPT.”

Sat Padda
Senior Compliance Manager
CWPT NHS Trust

2021 Highlights

Financial

REVENUE

£4.1m

FY2020: £3.5m

▲ **17%**

ANNUAL RECURRING REVENUE

£3.8m

FY2020: £3.1m

▲ **24%**

CAPITAL FUND RAISE YIELDED

£5.6m NET

CASH AT YEAR-END

£5.7m

FY2020: £1.2m

GROSS PROFIT MARGIN

84.7%

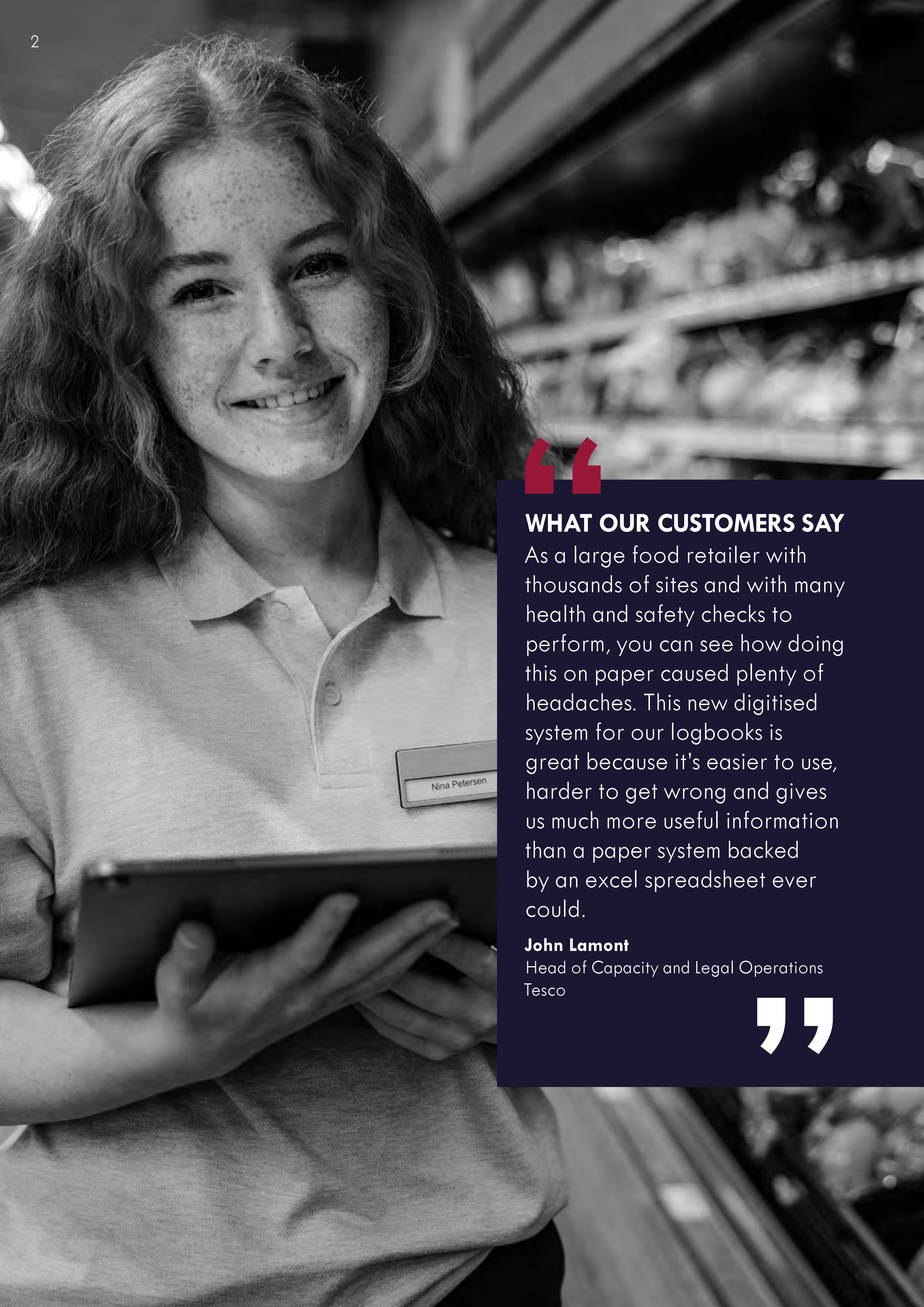
FY2020: £80.9m

BARRIE WHIPP, EXECUTIVE CHAIRMAN OF CRIMSON TIDE, COMMENTED:

"The year was transformational for Crimson Tide as, for the first time in our history, we completed an institutional and private investor fund raise to support the next chapter in our growth. mpro5 continued to perform well with strong revenue growth, and we reached annualised recurring revenue of c£4m just after year-end. Our focus is now on sector and international growth, particularly in the United States and Northern Europe. The new versions of mpro5 for tradespeople and healthcare will certainly expand our market and we are excited to develop our "one platform, many apps" strategy with the new hires and investments afforded by the fresh capital. Our key target is to double Annual Recurring Revenue in the medium term. Partnerships with organisations such as Cisco will assist us domestically and internationally to achieve our goal."

Operational

- Continued sector expansion for mpro5
- Master Services Agreement with Compass Group
- Cisco Meraki partnership
- Project wrkrz development
- Talent acquisition in development, marketing and international



WHAT OUR CUSTOMERS SAY

As a large food retailer with thousands of sites and with many health and safety checks to perform, you can see how doing this on paper caused plenty of headaches. This new digitised system for our logbooks is great because it's easier to use, harder to get wrong and gives us much more useful information than a paper system backed by an excel spreadsheet ever could.

John Lamont
Head of Capacity and Legal Operations
Tesco

Company Overview

Crimson Tide provides mpro5, the mobile enterprise app WITH a service. We are trusted by businesses across industries in over 260,000 sites ranging from hospitals to train stations to your local supermarket. We help clients overcome inefficiencies to unlock substantial cost savings and productivity gains.

FACILITIES MANAGEMENT

TRANSPORTATION

CATERING SERVICES

RETAIL

HEALTHCARE ESTATES

Chairman's Statement

The year saw a fundraise of £5.6m net of expenses which was transformational for the Company.

Barrie R. J. Whipp
Founder & Chairman
15 June 2022

The year saw a fundraise of £5.6m net of expenses which was transformational for the Company. It has provided us with the ability to invest in human resources, to continue with tech development plans and marketing activity as well as allowing us the freedom to add tradespeople (project wrkrz) and healthcare (mpro5rx) to our offering. We are refining and upgrading our mpro5 platform to deal with the requirements of our existing and potential clients.

We have also been able to add appropriate marketing activities for the first time in our history which the team is confident will add to our exposure, both nationally and internationally.

Our annual recurring revenue (ARR) has increased to over £4m post year-end and this KPI is our focus to drive the business forward.

Our aim is to grow ARR through a range of methods: -

- Increasing our footprint in existing verticals
- Introducing our trade version of mpro5
- Monetising our patient healthcare version of mpro5
- International expansion
- Future vertical market versions of mpro5

As can be implied from the above we have ambitious targets through which we are looking to grow this key metric and we are targeting an overall doubling in ARR over the medium term. Our market knowledge and research tell us the above mechanisms are available to us and underpin our confidence in the achievability of this target. Margin remains at c80% and churn has been low.

Diversification of the revenue model across our three brands will accommodate more dynamic growth as we also look to cement our traditional long-term enterprise revenue.

mpro5's cash generation tempered our cash burn, however larger investments in software and marketing are planned during 2022. Our Balance sheet is strong, and we have taken the decision to shorten our amortisation profile on Intangible software assets to seven years. Current expenditure is focused on development (£2m in the coming months on platform and apps) and a further £1m on marketing in the UK and US. Development expenditure will vary later in the year as we balance the requirements for apps and the platform, however the single platform upgrade should be largely complete by the end of 2022.

We aim to invest in the opportunity with our new Cisco Meraki partnership, however our planned spend of c£1m is dependent on a reliably functioning sensor supply chain.

Developments internationally included new contracts in Scandinavia as part of our Master Services Agreement with Compass Group. Food quality is at the heart of Compass' offering, and we are pleased to continue to expand across their international footprint. Compass trades in forty-five countries and mpro5 is only currently used in four of them; it is pleasing to note that mpro5 now processes school meal data and advises Compass on performance across the UK.

We continued to expand our contracted revenues further with existing customers, thanks to our excellent service and relationships.

Our office in Raleigh, North Carolina is operational, and we are building a pipeline including the World Federation of Haemophilia in Canada for our healthcare version of mpro5.

Project wrkrz has made progress and we have a working app with many of the features we designed, with further versions to come. Our branding and go to market campaigns are undergoing their final iterations and we will announce a new brand for the application in the coming weeks. Market research has helped us refine the application and we are combining the engine of this product with mpro5's existing technologies. 10% of UK employment is provided in the trades and increasingly this skill base is become smarter and more professional in terms of the use of technology. Of course, our tradespeople application will evolve internationally, however our focus is currently only on the UK & Ireland.

Our partnership ambitions have expanded due to our nascent marketing relationship with Cisco Meraki. We are the solution to the "what happens now?" data endpoints of Meraki cameras and sensors and this gives us the opportunity to attach ourselves to Cisco's global name and marketing engine. Our IoT offering continues to be piloted in rail and it is only the speed of client decision making that is holding us up. We are developing our sensor offering further in anticipation of demand from the Cisco Meraki community. Cisco has over 270 locations in eighty-eight countries. From our group marketing efforts, we are seeing wider demand for our core mpro5 solutions.

With an expanded marketing team and budget, we are optimistic that more MQLs (marketing qualified leads) will convert to SQLs (sales qualified leads). Challenges have included recruitment and we are not alone in seeing the effects of competition for technical staff and wage inflation. As expected, in seeing our team grow to forty-seven staff members we have been bedding in new staff as well as tasking external contractors and outsource firms.

In summary we are extremely busy with development and marketing, while our operational infrastructure is well set, save for a few extra hires.

Our product focus has aided us in a "one platform, many apps" strategy and we are pursuing this with optimism and determination. Underpinning our ambition is a growing and stable customer base which provides high levels of profitable, recurring revenue.

Our goals and investment decisions are based on areas where we know there is demand for our solutions and feedback to date supports this. We are expanding marketing and deploying capital and 2022 will see a full year of a Company accelerating its growth. The Board looks to the future with confidence.

Barrie RJ Whipp, Founder & Chairman

Chief Executive's Statement

Fresh capital allowed us to proceed with investments in our technical, marketing, and international departments.

Luke Jeffrey
CEO
15 June 2022

Fresh capital allowed us to proceed with investments in our technical, marketing, and international departments. We have remained pragmatic in an ever-changing talent acquisition landscape, attracting the right talent to deliver our three year strategy and beyond. We have also leveraged our partner and contractor networks to accelerate the implementation of our strategic objectives – namely investing in new product offerings, partner marketing, and growing internationally.

Our combined software and service offering continues to be unrivalled within our competitive landscape. Our multi-year SaaS agreements and minimal churn rate demonstrate the long term commitment our customers have to their usage of mpro5 and continue to give the business great visibility of future contracted revenues.

With user testing of our new consumer (Project Wrkrz) and healthcare (mpro5rx) offerings complete and third party research positioning us as a disruptor in these spaces, we begin to target the new revenue streams they offer. These opportunities, coupled with the growing mpro5 enterprise pipeline gives the Board reason for optimism.

Our partner strategy with Cisco places us uniquely within their Meraki marketplace, and I believe mpro5's unrivalled ability to provide digital workflow and a "single pane of glass" will lead to exciting opportunities in the coming months across Europe and the Americas.

Our international revenue acquisition is underpinned by our Master Service Agreement with Compass Group leading to a number of mpro5 rollouts across Northern Europe. Having provided mpro5 to Compass UK for many years culminating in them becoming the largest mpro5 customer, we remain excited as these opportunities mature and subscriptions grow.

This year in particular has been transformational for our organisation. Despite the recruitment struggles slightly delaying the deployment of capital caused by the digital skills shortage already widely publicised, I remain excited for the years ahead. We will continue to invest and accelerate on all fronts, without forgetting our founding principles – long term contracted revenue on one unified mpro5 platform. It's our time.

Luke Jeffrey, CEO

Financial Review

Financial indicator	Year ended December 2021 £'000	Year ended December 2020 £'000
Revenue	4,114	3,542
Gross profit margin	84.7%	80.9%
EBITDA	14	946
(Loss)/Profit before tax	(575)	532
Annual recurring revenue (ARR)	3,804	3,060
Cash	5,736	1,175

Revenue

The Company's sustained focus of delivering long-term revenue at a high margin contributed to revenue growth of 16% (2020: 21%) of which 85% was recurring revenue. Annual recurring revenue (ARR) as at 31 December 2021 of £3.8 million (2020: £3.06 million) increased by 24%. During a challenging period of national lockdowns, this was achieved by upselling additional modules to existing customers, while also adding new clients at entry level price points. Revenue churn during 2021 was negligible at 2.4% (2020: 4.9%), continuing the trend of churn amongst small legacy customers. The gross profit margin of 84.7% (2020: 80.9%) remained above the Board's 80% target rate.

Cashflow and liquidity

Cash at year-end amounted to £5.74m (2020: £1.17m), following a fund raise during April 2021 that yielded a net £5.64m. In the light of investments in sales and marketing, platform improvements and establishing an office in the USA, cash generated by operations remained positive at £0.16m (2020: £1.39m).

Loss before taxation

The Company made a loss before taxation of £575k (2020: £532k profit). The loss was in line with management expectations and arose due to the investments in sales and marketing and establishing an office in the USA as mentioned above.

Trade receivables

Trade receivables at year-end amounted to £888k (2020: £576k). The increase predominantly relates to two large customers that migrated to new procurement platforms during the year, which caused some delay in payment, which has unwound since the year end. The Company did not experience a noticeable increase in trade receivables or bad debt related to the pandemic.

Debt and finance costs

Loans and leases decreased to £103k (2019: £288k). Finance charges amounted to £10k (2020: £29k).

Capitalisation of intangible asset

Software development costs of £485k (2020: £539k) relating to the core mpro5 product was capitalised during the year, while an additional £479k (2020: £nil) were capitalised relating to the new project wrkrz product. Amortisation and impairment of enterprise development expenditure during 2021 amounted to £388k (2020: £216k). The value of the capitalised software intangible asset at year-end was £2.2m (2020: £1.64m). The amortisation period of the mpro5 intangible asset will be reduced from 10 to 7 years in 2022.

Tax

A deferred tax asset of £32k (2020: £nil) was expensed due to timing differences between the tax base and net book value of certain assets. No corporation tax charge has been included (2020: £nil) due to the availability of historic tax losses.

Earnings per share

The average number of ordinary shares in issue during the year was 596.1m (2020 457.5m). Basic and diluted loss per share was 0.10p (2020: 0.16p – earnings per share).

Subsidiary company in USA

A subsidiary company was incorporated during May 2021. This company is based in Raleigh, North Carolina and is 100% held by Crimson Tide (IE) Ltd, which in turn is 100% held by Crimson Tide plc.

Case Study
Compass Group

mpro5

FACILITIES MANAGEMENT

Cleaning on demand with Compass Group Denmark

How mpro5 facilitated innovative, agile cleaning for Compass Group

Innovation and Dynamic Cleaning

Facilities Management (FM) companies are finding new ways to bring innovative services to their customers and get ahead of the competition. Changes to working patterns and higher expectations of cleanliness mean that FM providers are increasingly expected to deliver more value using the resources they already have.

Covid has highlighted the idea that customers are assured by tangible evidence of cleaning in action, that closing the gap between the users of the building and the facilities staff can improve the level of service.

We are working with Compass Group Denmark to develop and iterate on just this: using the Internet of Things, call buttons and our smart workflow management platform to improve service, increase attentiveness to user needs and still meet day-to-day requirements for their customer, Total Energies.

The mpro5 platform was configured specifically for Compass and their service objectives. Workflows and automated alerts guide staff through their processes, which are informed by IoT data via the platform.

"Developing a new concept from the ground up has been an inspiration and a tough journey, going all the way from the first idea to using it in our daily operations. The flexible mpro5 software and great cooperation with the innovation team, has reinforced our strong on-site team spirit, service excellence and our engaging relationship with the client and guests."

Elsie Reitzel

Team Manager, Eurest Services, Total CPH

> “In Compass Group we consider this project to be a stepping-stone towards shaping the future of our service. mpro5 have stepped up as a key partner for this journey. The mpro5 platform has enabled our innovation team to carefully design digital workflows in a way that matches preferred ways of working, as defined by our operational co-workers. The team also went out of their way to meet our demands in terms of data availability, which has allowed us to shape the insights we need and make them an integrated part of our business operations rather than a separate entity to our core service.”

Jonathan Hentze
Head of Innovation & Digital Development

Results

Compass have elevated the quality of their service significantly since installing call buttons and implementing smart workflows through the mpro5 platform. Customers can indicate their immediate needs and teams can react rapidly to resolve an issue.

The average response time to a call button being pressed is just 49 minutes. Prior to this, it may have taken hours or even days to rectify an issue.

Total employees have been impressed by the added level of service that call buttons provide and the speed of response to jobs such as fixing a faulty coffee machine. Compass can offer an exceptional service, beyond a standard FM offering, by providing dynamic cleaning and reactive service.

Introducing novel ways of engaging directly with the customers has helped shape a stronger service culture in the on-site service team. Refined workflows that guide them through their duties via the mpro5 app provide clarity and accountability, making their shifts frictionless and demonstrating their hard work.

By involving ground teams with the development and configuration of mpro5 from the start, Compass have received enthusiastic buy-in from their teams. This grass-roots adoption means that mpro5 has offered employees a stake in changing their working patterns and the opportunity to embrace innovation.

Problem

The pandemic has had a significant impact on the FM industry. Cleanliness is now a matter of health and safety in all public spaces, and many customers have moved towards flexible working patterns, reducing demand and footfall on sites. This means that cleaners need to be agile enough to prepare rooms for varying numbers of users, as well as responding visibly to changes in demand for these spaces.

There are also more traditional challenges for Compass. It has long been recognised that cleaning by routine is inefficient, but a lack of visibility and data limits the effectiveness of any output-based model – without data a focus on demand-led work can only be guided by informed guesswork.

From the user's perspective, it could take hours or even days to get a problem dealt with as it wasn't clear who to notify or how to.

It's widely accepted that digitalisation in FM is the next logical step, but it can be a daunting project both in terms of implementation as well as making a compelling business case with a significant ROI.

Solution

There were two key objectives for implementation. The first was to bring substantial ROI on the new IoT network and the second was to target cleaning in the areas it was needed most and, through saved hours and more targeted responses, add value to the service provided.

The first component of Compass' IoT network is call buttons, which were installed across five floors in kitchens and copy rooms. Users can press a call button to report a fault with a coffee machine for example, and this will send an alert directly to the relevant team.

A team can then action this alert by going to the kitchen in question and scanning a QR tag, which loads the correct workflow to guide them through any processes and give proof of task completion, closing the feedback loop.

The mpro5 platform was configured specifically for Compass' needs and adoption was aided by live configuration calls and user walkthroughs.

The configurability of the platform makes adjusting thresholds or rules straightforward and fast, allowing Compass to adjust their system easily.

With the success of the initial implementation of mpro5, the group plan to rollout more features, including sensors (which are currently being tested to measure footfall in copy rooms and bathrooms). Moving in stages, Compass can rigorously test each use case and then adapt the model based on its utility.

Case Study
Tesco

mpro5

RETAIL

From Paper To Platform

mpro5 transitions logbooks from paper to platform for one of Britain's biggest retailers.

63%

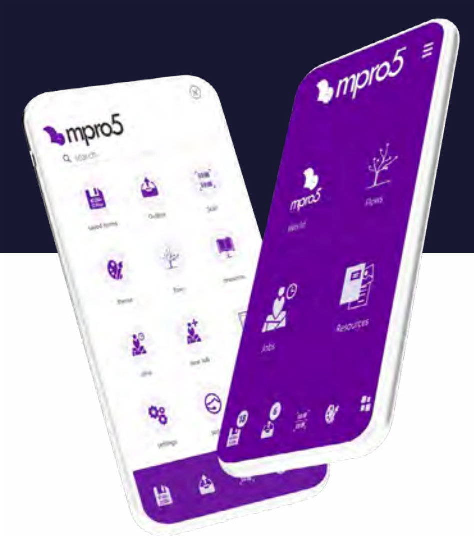
REDUCTION IN CHECKS NEEDED

£1MILLION ANNUAL PRINT COST REDUCTION

TIME SAVED ON DATA ENTRY

> As a large food retailer with thousands of sites and with many health and safety checks to perform, you can see how doing this on paper caused plenty of headaches. This new digitised system for our logbooks is great because it's easier to use, harder to get wrong and gives us much more useful information than a paper system backed by an excel spreadsheet ever could.

John Lamont
Head of Capacity and Legal Operations



Smart Supermarket Technology

Logbooks are an essential part of many businesses, particularly those in retail. They are used to record all operations and evidence compliance, playing a central part in most audits and reports.

Despite the importance of logbooks, many businesses still persist with a mixture of paper records and legacy systems. These are unreliable and limited in their usefulness beyond slowly extracting the data for audits. For the past 10 years we have worked with one of Britain's biggest retailers to develop a specifically tailored mpro5 platform. The client now has fully digitised logbooks, an enhanced operational process and can evidence compliance quickly and effectively.

Results

Our client now has effective and agile processes with full visibility of compliance. They have also generated significant productivity gains and cost savings, including reductions in data entry and over £1million in print costs. This has also helped our client in their commitment to more sustainable practices.

Management can now spot trends, identify pain points and change cultural behaviour, to proactively improve their processes rather than simply passively recording compliance. mpro5 has helped our client to streamline operations, reducing the total amount of checks by 63%.

They have also found themselves less susceptible to false insurance claims and better positioned to recognise problems and resolve them quickly. Employees complete tasks by simply and correctly filling in their smart logbooks. Employees have also said that the transition to this new way of working has been surprisingly smooth and that they appreciate the clear guidance and accountability provided by workflows.

Problem

Our client's logbooks were paper based prior to using mpro5. This meant that the veracity of the data was questionable, and it was tempting for employees to fill them out 'as and when' without properly following the process.

All this data was siloed into more than 160 paper logbooks across the company, making it difficult to navigate and impossible to visualise. It was no exaggeration to say that our client had limited visibility of their compliance data. Prompt and timely follow-up actions were difficult to implement and even harder to track.

Solution

Our client already used our software to manage housekeeping, cleaning health checks and auditing, but they decided they could leverage the flexibility of the platform for their logbook requirements. All logbooks were digitised and integrated into their back-office analytics solution to view data in a way that was most useful to them.

The platform creates remedial actions for failures or incidences where they have not met standards, to ensure the proper response. The status of logbooks and remedial actions can be monitored in realtime on the app by management – from store managers to the Managing Director. All employees can log in to mpro5 using their credentials via SSO (Single Sign On), meaning the implementation was simple and intuitive for users.

Case Study
Northern Trains

TRANSPORTATION

Presenting Northern Trains Digital Train Cleaning Solution

Leveraging TP and SQRs

Train Presentation (TP) is a crucial aspect of any rail franchise's operations. How clean the train is affects the passenger experience significantly and will be a cornerstone of the new Service Quality Regimes (SQRs).

Northern Trains have leveraged our platform to drastically improve the presentation of all their trains. This has helped to drive their SQR scores up. TP encompasses all aspects of cleaning including seats, floors, touch points and brightwork, as well as making sure the bins are emptied and that the toilets are clean and hygienic to use.

Covid has also made it necessary to disinfect all touch points regularly. Staff use their devices to follow instructions, record their work and conduct audits via the mpro5 app. This data is captured in real-time and sent straight to their cloud-based platform. The platform automates remedial actions and collates data in a structured way that makes it easy to create reports, identify pain points and drive improvements.

Results

Jobs and data collection have been intrinsically linked by using workflows to carry out train cleans. This fully joined-up system stops things falling through the cracks and ensures staff carry out all their duties. TP has been improved by a large degree and consequently pushed an uplift in Northern's SQR scores.

Real visibility of their data has empowered management to spot trends and change cultural behaviour. Data is now used proactively to improve their processes rather than simply passively recording compliance.

A digitised process has also made a real difference for TP teams on the ground. It makes their daily tasks easier and helps to raise the profile of their work. It allows them to prove what a good job they're doing and prevents them from feeling like the easy scapegoat when customers complain about cleanliness. It also gives them the data – and the voice – to request extra support from their managers when they need it.

Problem

A TP team might have just a few minutes to achieve an acceptable clean. The number of people in a team or the amount of time a carriage is available can vary massively, which makes delivering a consistent result exceedingly difficult.

Northern often had to take customer accusations of uncleanliness at face value because they had no unquestionable evidence of work carried out.

The franchise was using a paper system to record their TP processes. Unreliable, inefficient and ineffectual, this system was barely held together by manual intervention. There was no accurate record of tasks carried out and it was impossible to make real improvements because there was no useful data to inform management on how to best deploy their resources.

They lacked visibility of cleaning processes and had no real feedback mechanism for performance. Data was being gathered but it was not reliable, to the point that it became completely untrustworthy, causing further conflict inside the business. This is made even more challenging by the lack of control – a toilet could be cleaned and then used as soon as the train leaves the platform, and the cleaners could then be blamed for not having cleaned the toilet.

Solution

We configured Northern's mpro5 platform to help them carry out their cleaning and maintenance procedures. Jobs are carried out using the app every step of the way, and workers can raise alerts that trigger remedial actions. The data collected by staff completing jobs can also trigger remedial actions, and this is all fed into the platform to provide actionable data. Managers can monitor this using dynamic data visuals that give them useful, granular detail to make meaningful decisions to improve their train presentation.

> Since using mpro5 we have enjoyed productivity gains of up to 25%, with no drop off in quality of service.

Joanna Simmons
Head of Train Presentation

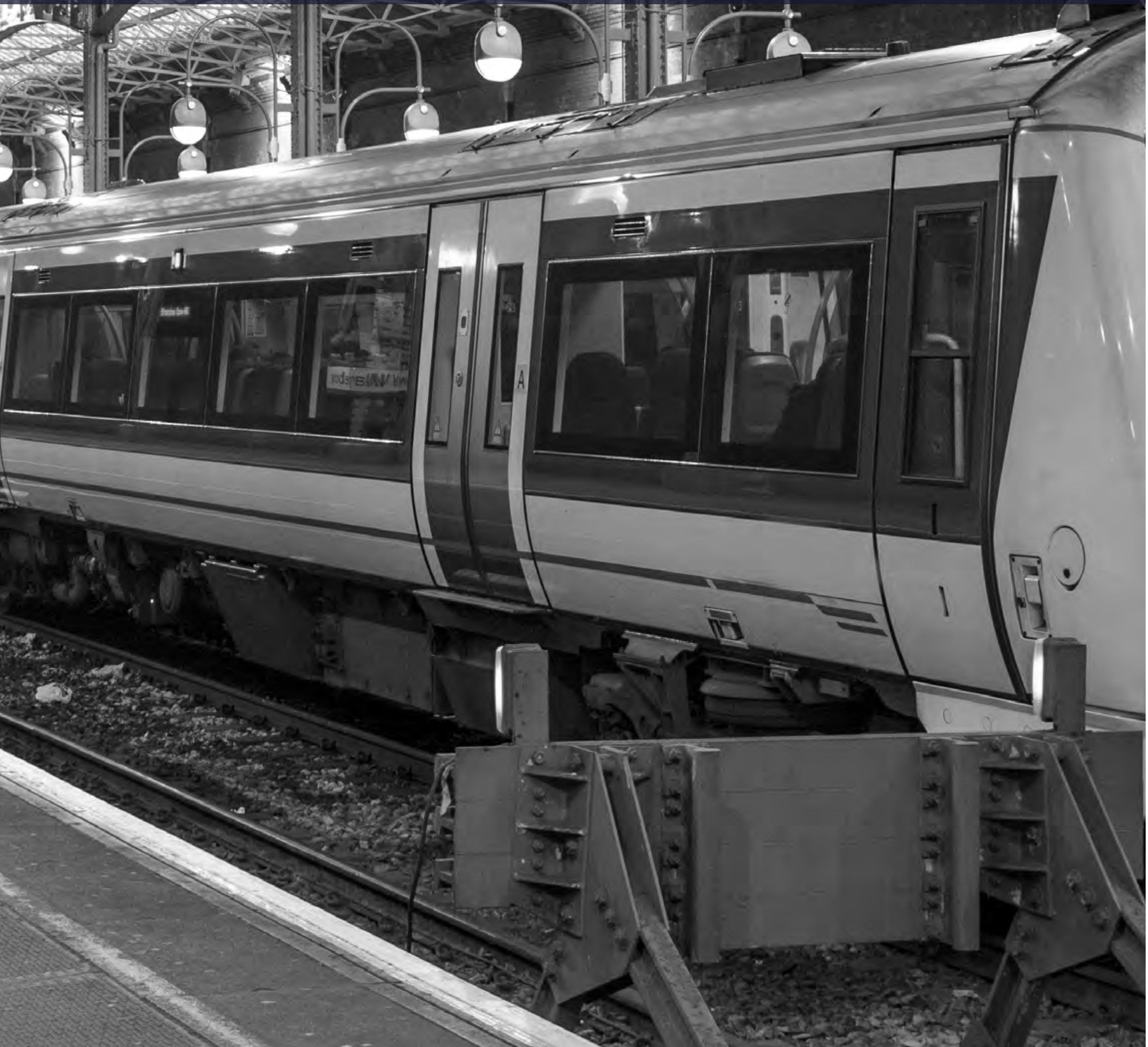
25%

PRODUCTIVITY GAINS

INCREASED VISIBILITY

INCREASED PRODUCTIVITY

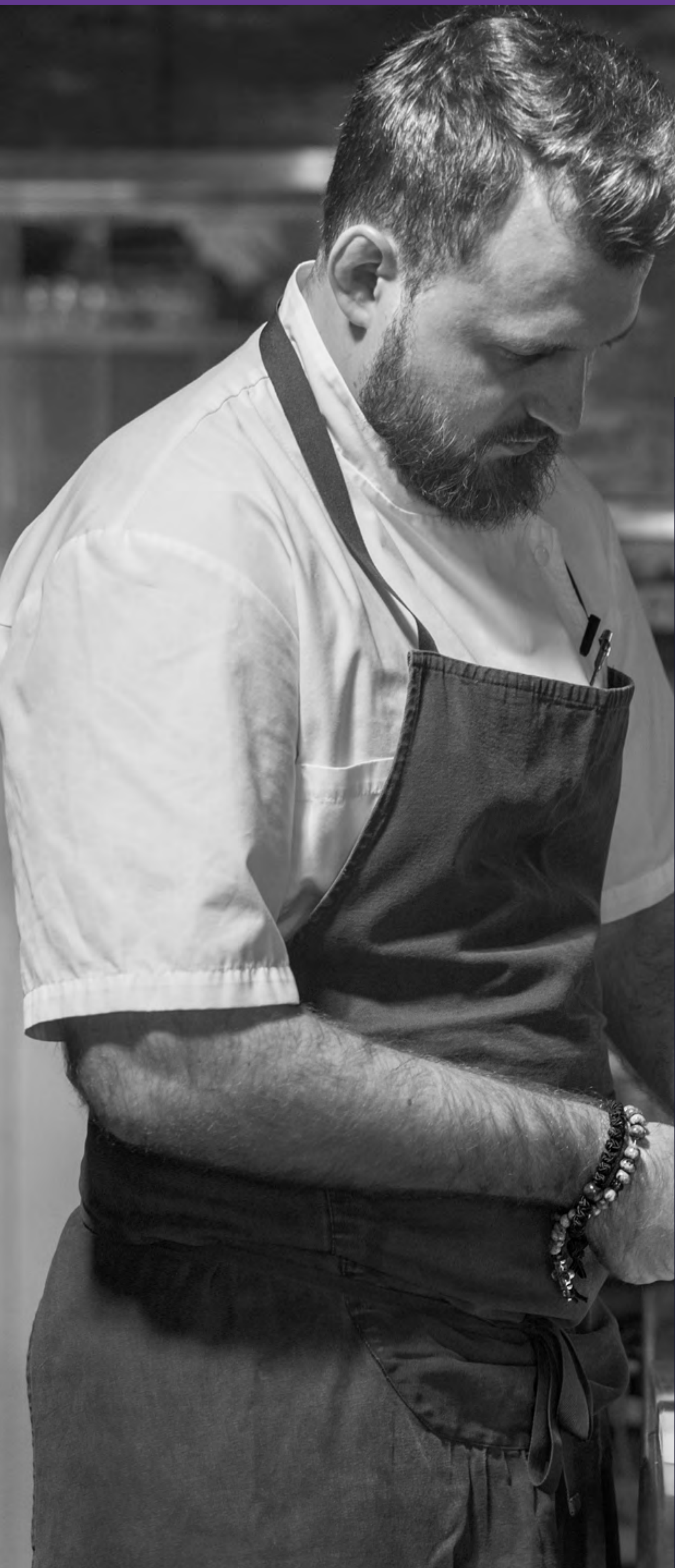
EMPOWERED STAFF



Case Study
Chartwells

mpro5

CATERING SERVICES



The right food every time

Chartwells develops a new audit that ensures they serve the right food every time.

THOROUGH SAFETY AND QUALITY CHECKS

PROCESSES IMPROVED AND SIMPLIFIED

EMPOWERED STAFF AND MANAGEMENT

> Compliance is of course a priority for us and part of that is completing audits. Now we have mpro5 it is so much easier to do these quickly and, crucially, do them right.

Lorraine Foyle
Operations Director

Compliant Food Service, Every Time

For food service company Chartwells, the Daily Food Quality Audit ensures that they meet customer expectations safely, consistently and to the same high standard every time.

Getting this wrong could have serious consequences for the health of their customers, as well as reputational, legal and financial repercussions. We worked with Chartwells to develop an audit solution that is reliable and makes best practice easy to follow.

Staff use their mpro5 app to carry out Daily Food Quality Audits at individual units. This surfaces the data in two ways: firstly, for Regional Managers to track food compliance on a live basis and secondly, in structured visualisations that allow management to spot trends and issues, allowing for more effective intervention. We also help Chartwells to maintain consistent brand standards through a separate audit.

Results

Chartwells now have a reliable and simple system for guaranteeing that they meet customer expectations for safety and quality. This includes checking if the correct medical diets are served to the right customers, if the right ingredients are being used and confirming food safety practice is being followed.

Staff perform this audit, as well as a brand standards audit, easily and thoroughly thanks to a detailed workflow that can only be completed by filling in all the appropriate information. This means that staff can no longer abandon jobs in the “to do” pile. Answers to questions can trigger remedial actions which generate their own data so that managers can check the progress of outstanding jobs.

Staff have appreciated the change, saying that it makes these important processes easier to follow and provides better accountability. Real visibility of their data has empowered management to spot trends and change cultural behaviour. Chartwells can now proactively improve their processes in an agile manner.

Problem

Chartwells manage over two thousand sites across the education sector, from primary and secondary schools to colleges and universities. Historically, there was no system for ensuring that the right ingredients, menus and medical diets were served.

There was also no reliable way for managers to check that kitchen staff were following procedures correctly and senior management had no visibility of this.

Remedial or corrective actions were completed either by spreadsheet or email, resulting in poor consistency and no real audit trail. This was especially concerning with regards to food safety, which could have serious health implications for customers. It was a struggle to meet customer expectations consistently.

Solution

Using the mpro5 platform, we worked with Chartwells to create and digitise their Daily Food Quality Audit. Kitchen staff perform these checks using the app, which guide them through every necessary step.

Workflows can trigger remedial actions and managers can see live status updates on any that are outstanding or completed. We were also able break this audit into smaller sections to make it more manageable and easier to verify.

Devices send audit data to the mpro5 platform, where users can see useful visualisations of data and drill down into anything they need more detail on. Staff are also given detailed instructions on how to best carry out any procedure, including food preparation, ensuring the offering stays consistently high in quality.

Case Study
NHS

HEALTHCARE ESTATES

Keeping Coventry and Warwickshire NHS Trust Properties Safe

Safety First For NHS Trust

NHS Mental Health trusts often have a large estate to manage including multiple sites, buildings and clinics that require maintenance and compliance checks, as well as handling large numbers of reactive issues. These verification checks are often the source of the reactive tasks, which need to be tracked and closed effectively.

The safety of sites in a trust is of paramount importance as getting it wrong can have profound consequences for medical staff, operational teams and patients. Managing this process is complex as it requires cross-departmental coordination that would normally be time-consuming and costly.

Results

The mpro5 configuration for this trust gives them unprecedented visibility across their estate and a new Works Management System (WMS) that can handle the reactive tasks raised with the Trust's Estates Management helpdesk. Their platform also monitors the status of compliance for all statutory risk types, both holistically and on a site-by-site basis.

This allowed them to switch off the obsolete system and provided a solid foundation to start expanding the use of our software across the Estates department. The first addition was a more detailed fire door check process, and the trust will soon be using the platform as their National Standards of Cleaning Auditing solution, allowing them to retire a system that they struggled with for years.

Next on the list is a building condition survey and asset tagging across the estate, widening the digital footprint, and enabling yet more processes to come within the remit of the mpro5 platform.

Problem

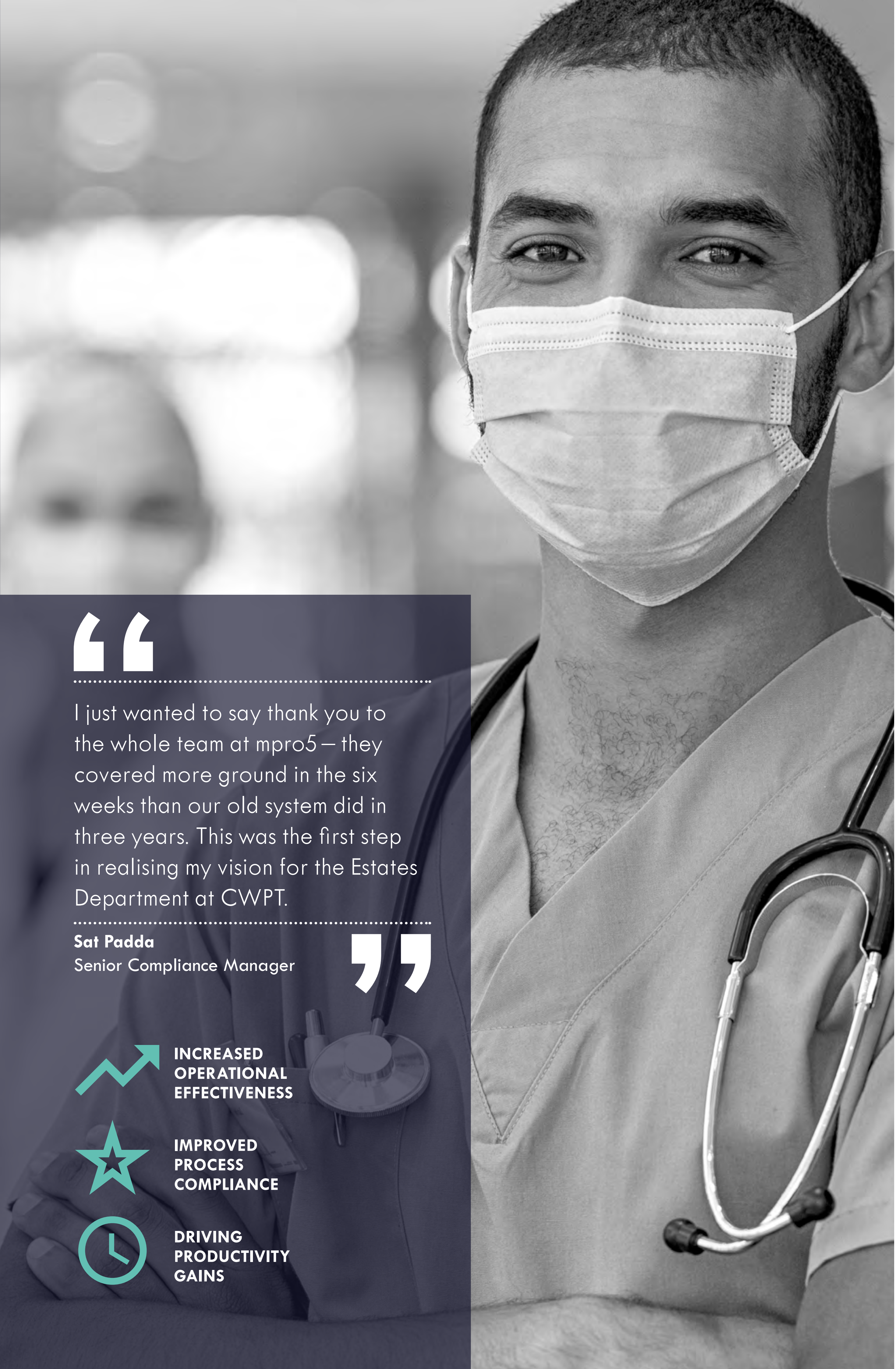
Managing 110 varied buildings under a variety of freehold and leasehold arrangements in a healthcare setting, where safety is paramount, is a sprawling challenge. The trust's previous system was becoming out-dated and failing to keep pace with their requirements, but CWPT had just six weeks remaining on their existing supplier's contract and would have been forced to renew for a full 12 months. They needed us to configure a solution, with 171 functional requirements, to replace the existing system before they were forced to renew.

Solution

With an urgent deadline of six weeks before their existing system was switched off, we fully configured and deployed mpro5 within four, allowing two weeks for refining and testing before "Go Live".

The system carries out maintenance schedules as well as allowing the real-time allocation of reactive tasks, providing feedback to the Estates team and the responsible persons from the buildings. Managing SLAs, Statutory PPM tasks and handling external work tasks that are passed out to a wide network of sub-contractors, mpro5 ensures compliance and the timely completion of jobs and reporting.

The platform also provides overviews of any building and the reactive tasks which have taken place.



"I just wanted to say thank you to the whole team at mpro5 – they covered more ground in the six weeks than our old system did in three years. This was the first step in realising my vision for the Estates Department at CWPT."

Sat Padda
Senior Compliance Manager

INCREASED OPERATIONAL EFFECTIVENESS

IMPROVED PROCESS COMPLIANCE

DRIVING PRODUCTIVITY GAINS

Strategic Report

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.

Business Model

The Crimson Tide group provides its mpro5 software, 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 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 4, 6 and 7 respectively.

At 31 December 2021 Crimson Tide had a total of 47 employees and directors analysed as follows:

	Male	Female
Directors	5	1
Senior Managers	3	2
Other employees	31	5

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 Hubspot as its customer relationship management system to record and monitor dealings with customers and potential new clients.

Principal Risks and Uncertainties

The company faces a number of business risks and uncertainties due to macro-economic trading conditions. In view of this , the directors are looking carefully at both existing and potential new markets. The table below sets out the key risks that have been identified, with the company's approach to mitigating those risks.

Risk	**Impact on company**	**Mitigation**
Covid-19	Covid-19 has not had a significant impact on the company, however there is an increased risk of wider economic disruption that may impact customer demand and margins in the future.	The company has a loyal but diverse customer base, both in terms of revenue and concentration, reducing its exposure to a temporary downturn in trade.
Exposure to foreign economies	The company has limited overseas markets at present, but even these limited operations give rise to foreign exchange risks.	Foreign exchange currency is mitigated by careful use of foreign currency contracts. The directors are taking a cautious approach to expansion into overseas markets and focus on markets where domestic customers have overseas operations.
Product obsolescence	The technology industry is fast moving and there is a reputational risk with being associated with out of date products.	Funds raised during a capital fund raise in 2021 will be partially invested in improving the product platform. A consumer version of the company's enterprise application, focused on trades people, is also being developed.

Strategic Report CONTINUED

Future developments

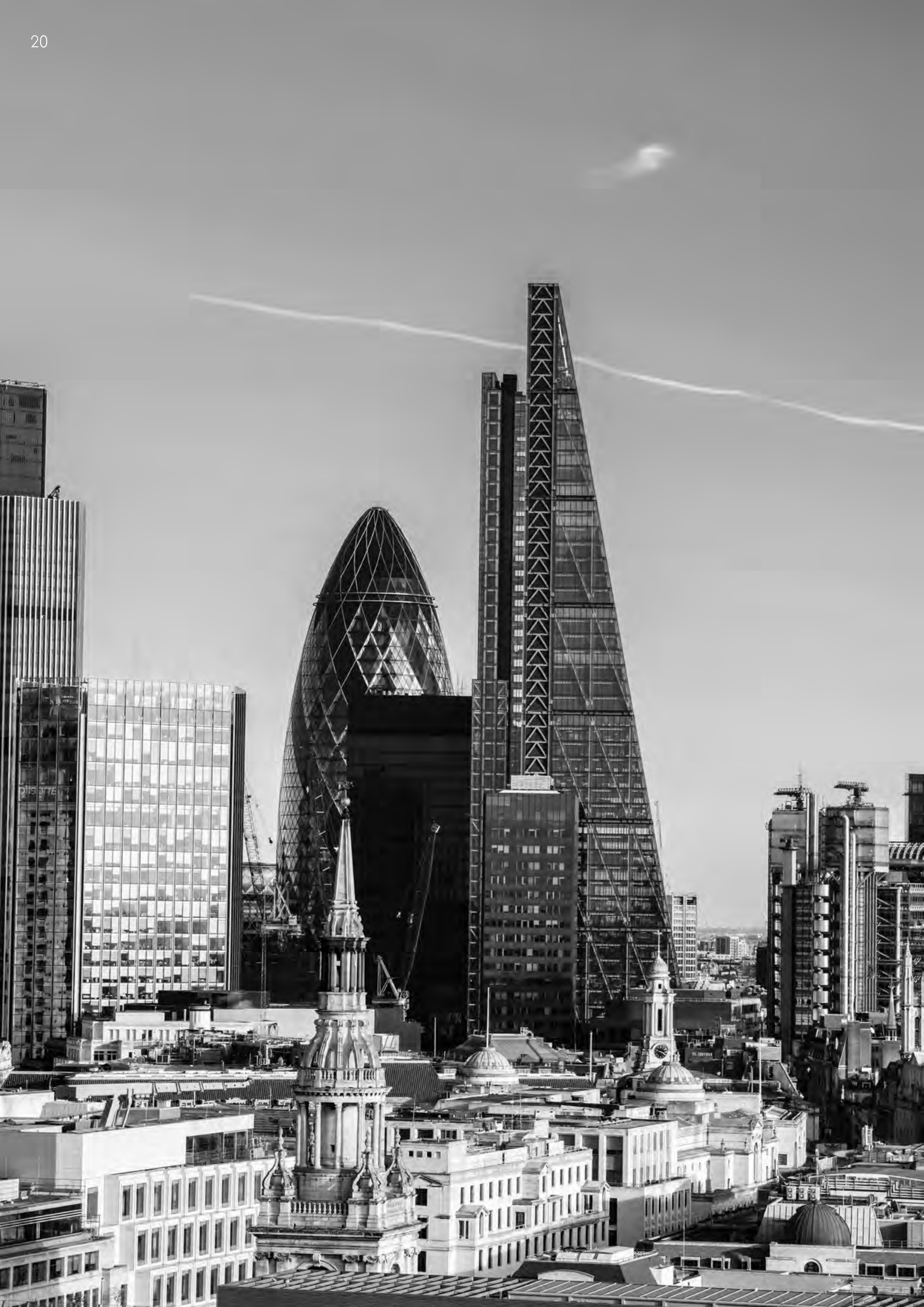
The directors anticipate that the business environment will remain competitive. They believe that the company is in a good financial position and that the risks that have been identified are being well managed. With careful focus on appropriate geographical diversification and development of a new product, as well as continuous review of the state of the market and the activities of competitors, the directors are confident in the company's ability to maintain and build on this position.

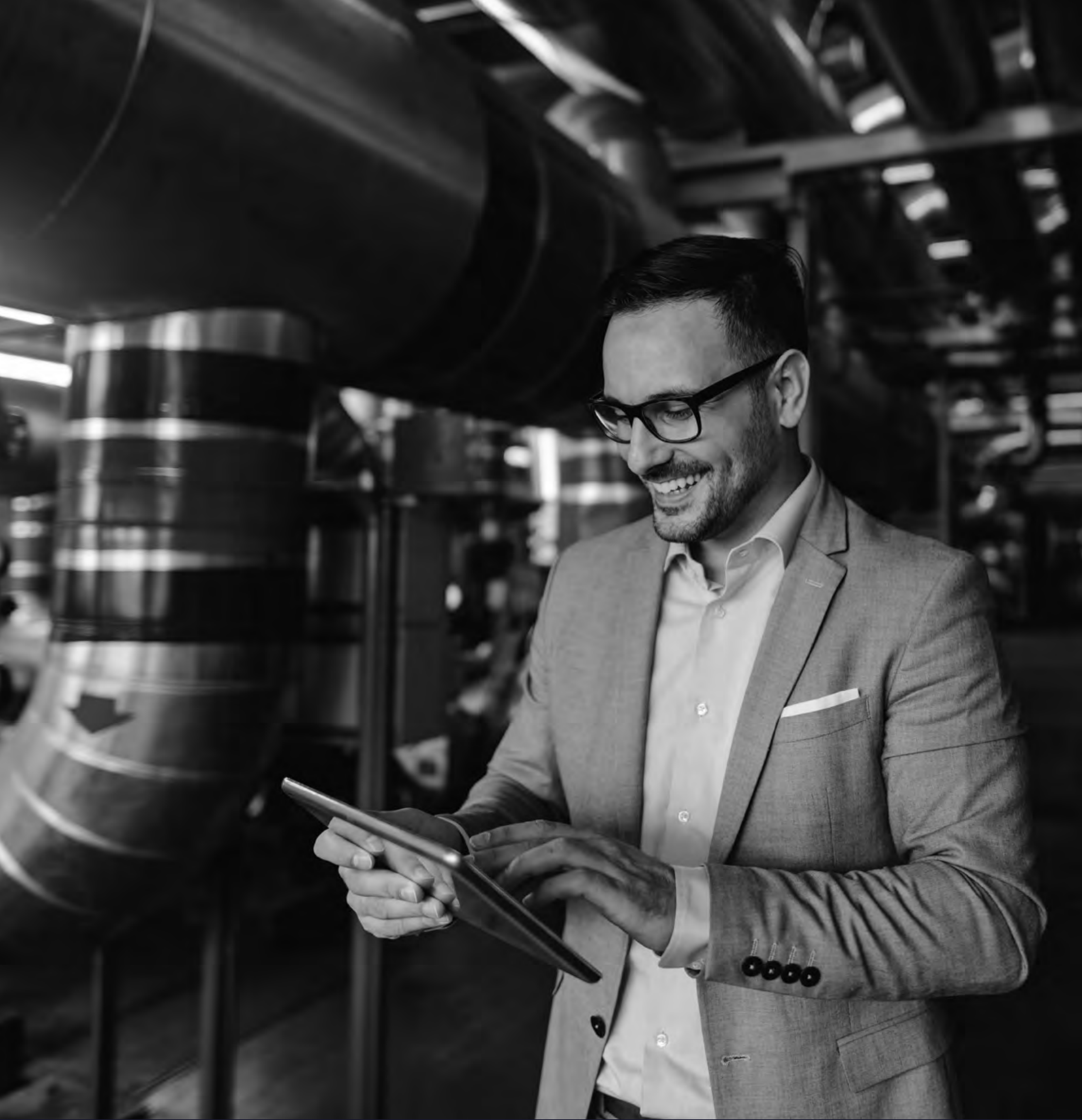
Research and development

The company is currently undertaking research and development to improve the performance of its mobile applications and integrated reporting platform. A consumer focused version of the company's enterprise application is also in development.

Signed on behalf of the Directors

Barrie Whipp
Founder & Chairman
15 June 2022





Corporate Governance

Board of Directors

The Board of Directors supervises the management of Crimson Tide and looks after the interests of Shareholders. The re-election of Directors is sought annually at the Annual General Meeting.

Barrie Reginald John Whipp
(aged 61, Executive Chairman)

Barrie founded Crimson Tide in 1996 and he formulated the ideas behind the Group's mobile data solutions in 2003, recruiting the current management team in 2004. After a career in finance, he founded the financial services arm of Tiphook plc. He later became Group Managing Director of IAF Group plc which was subsequently admitted to the Official List in 1994. He has served as a non-executive director of Wills Group plc as well as a number of private companies. He is responsible for setting the Group's vision and strategy as well as setting goals and targets for the Board.

Shares held:	29,810,213*
Annual Remuneration:	£173,861

*Mr Whipp's wife holds an additional 38,000,000 ordinary shares

Tobias 'Toby' James Turness Hawkins
(aged 41, Group Sales and Marketing Director)

Toby Joined Crimson Tide in October 2017, having held numerous sales and account management roles in his career, most recently, since November 2015, as Enterprise Account Director for the OpenText Corporation, a global leader of global enterprise information management solutions. Prior to that Mr Hawkins worked as a sector account manager for TestPlant Limited, a UK technology company which delivers service assurance to digital businesses. Between 2008 and 2014 Mr Hawkins was the Commercial Director for Stevens Group Limited which develops enterprise and SaaS software solutions.

Shares held:	333,333
Annual Remuneration:	£167,576

Stephen Keith Goodwin
(aged 63, Non-Executive Director)

Steve was appointed as Crimson Tide's Chief Executive in April 2004 but has subsequently changed role within the company to be Finance Director, and now Non-Executive Director. Steve is a Certified Accountant with over 20 years experience at Board level, 18 years as a CEO. After training as an accountant working for Shell International plc, he joined Tiphook plc in 1988 where he became Group Financial Controller and later Finance Director of the trailer division. In 1993 Steve was appointed Managing Director of the rail division and in 1996 led the management team in a £30m management buyout working with Prudential's venture capital arm and HSBC. 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.

Shares held:	25,871,509*
Annual Remuneration:	£24,000

*Mr Goodwin also had an interest as a trustee in 9,150,000 Ordinary Shares of 0.1p each as at 31 December 2021 and 31 December 2020

Luke Anthony Jeffrey
(aged 39, CEO)

Luke joined Crimson Tide from university in July 2005 having achieved a Masters in Advance Computing Science and has been regularly promoted since. He has made an invaluable contribution to the development of our mobility solutions and has been fully involved in many other software developments delivered to customers. Luke joined the Board in July 2012 as Technical Director, progressing to Deputy CEO and in 2018 becoming CEO. Luke is responsible for the continuing evolution and implementation of our software products, services and the business.

Shares held:	2,333,333
Annual Remuneration:	£125,706

Jacqueline Daniell
(aged 60, Non-Executive Director and Deputy Chairperson)

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.

Shares held:	1,672,240
Annual Remuneration:	£22,500

Pieter ('Peter') Maree Hurter
(aged 44, Finance Director)

Peter joined Crimson Tide in November 2018 as the Financial Controller and was appointed to the Board as Finance Director and Company Secretary on 1 July 2019. Peter is a Chartered Accountant and served his articles with Deloitte. He has subsequently been a director of Moore Stephens Chartered Accountants in South Africa, a Specialist with the South African Revenue Service and Finance Director of a large agri-processing group.

Shares held:	333,333
Annual Remuneration:	£117,142

Directors' Report

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2021.

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 2021 was £4,114,000 (2020: £3,542,000) and the total loss before tax was £579,000 (2020: profit £532,000). The directors do not recommend payment of a final dividend.

Directors

The following directors held office during the year:
BRJ Whipp
GB Ashley (resigned 30 November 2021)
SK Goodwin
LA Jeffrey
TJT Hawkins
PM Hurter
JK Daniell

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	
	2021	**2020**
Director		
BRJ Whipp*	29,810,213	82,820,132
SK Goodwin***	25,871,509	30,611,484
GB Ashley**	18,354,718	18,354,718
JK Daniell	1,672,240	-
TJT Hawkins	333,333	-
PM Hurter	333,333	-
LA Jeffrey	2,333,333	2,000,000

* Mr. Whipp's wife holds an additional 38,000,000 Ordinary shares of £0.01 each as at 31 December 2021.

** Mr Ashley resigned as Director on 30 November 2021. Ms. Daniell was appointed as Director on 28 January 2021.

*** Mr. Goodwin also had an interest as a trustee in 9,150,000 Ordinary Shares of 0.1p each as at 31 December 2021 and 31 December 2020.

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

	Number of share options	
	2021	**2020**
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' Remuneration

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

	Fees and salaries £	Bonus £	Pension £	Total 2021 £	Total 2020 £
Non-executive					
G B Ashley	18,000	-	-	18,000	15,000
S K Goodwin	24,000	-	-	24,000	12,000
J K Daniell	22,500	-	-	22,500	-
Executive					
B R J Whipp	143,861	-	30,000	173,861	177,083
T J T Hawkins	109,467	54,608	3,502	167,576	251,025
L A Jeffrey	105,298	-	20,408	125,706	121,400
P M Hurter	92,271	15,000	9,871	117,142	90,050
Total	**515,397**	**69,608**	**63,781**	**648,785**	**663,558**

Mr. Ashley resigned as Director on 30 November 2021. Ms. Daniell was appointed as Director on 28 January 2021.

Significant Shareholdings

As at 18 May 2022 the shareholders' register showed that the following shareholders had interests in 3% or more of the share capital of the Company:

Shareholder	No.	%
Canaccord Genuity Group Inc	90,500,00	13.8
Helen and Barrie Whipp	67,810,213	10.3
Gresham House Asset Management Limited	42,000,000	6.4
Lion Trust Investment Partners LLP	37,982,885	5.8
Herald Investment Management	32,333,333	4.9
Octopus Aim VCT plc	31,500,000	4.8
J W F Roth	26,131,159	4.0
S K Goodwin*	25,871,509	3.9
S J M Morris	21,707,817	3.3

* Mr. Goodwin also had an interest as a trustee in 9,150,000 Ordinary Shares of 0.1p each as at 31 December 2021 and 31 December 2020.

Strategic report

The company has chosen, in accordance with Companies Act 2006, s. 414C(11), to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments, research and development and financial instruments.

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 39 days (2018: 26 days). The Company is a holding company and has no significant trade creditors.

Directors' Report CONTINUED

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.

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 UK. 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 UK, 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. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. 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.

Auditor

Shipleys LLP will be deemed to continue in office under the Companies Act 2006, S.487(2).

Signed by order of the board

Peter Hurter
Company Secretary
15 June 2022

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.

Corporate Governance Statement CONTINUED

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 non-executive directors.

Compliance

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

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

Crimson Tide has appointed two non-executive directors who provide an independent view of the company's activities. Mr Stephen Goodwin and Ms Jacqueline Daniell are non-executive directors. By his length of tenure, Mr Goodwin does not fulfil the technical definition of "independent" as he has served as Director for longer than the prescribed 9 years. The Board unanimously supports the retention of Mr Goodwin given his experience and wise counsel. Mr Goodwin is a shareholder 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.

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

Corporate Governance Statement CONTINUED

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. 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 2021 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 UK 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 2021 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 UK;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the UK 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 company'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.

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.

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

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 showed 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.

Independent Auditor’s Report to the Shareholders of Crimson Tide plc CONTINUED

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 £170,116 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 26 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- 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 UK 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 making enquiries on the management; journal entry testing; review of bank letters, board minutes and any correspondence received from regulatory bodies; reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations. These procedures 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.

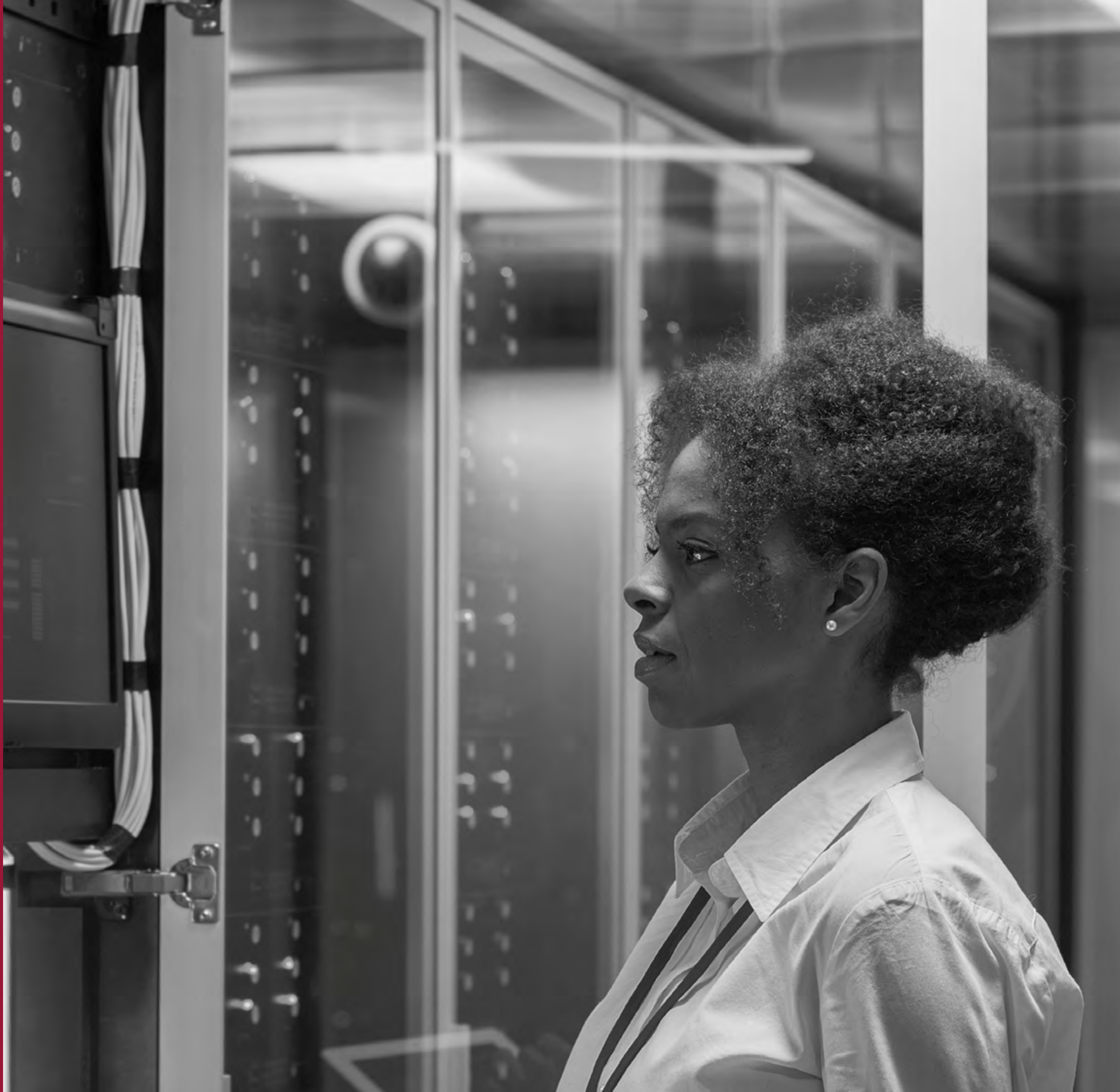
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

Date: 15 June 2022



Financial Statements

Consolidated Statement of Profit or Loss and Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Revenue	3	**4,114**	**3,542**
Cost of Sales		(631)	(677)
Gross Profit		**3,483**	**2,865**
Other income		142	5
Administrative expenses	4	(4,197)	(2,309)
Finance costs	4	(10)	(29)
(Loss)/Profit before income tax expense		**(582)**	**532**
Income tax expense	6	(32)	202
(Loss)/Profit after income tax		**(614)**	**734**
(Loss)/Earnings per share			
Basic	7	(0.10)	0.16
Diluted	7	(0.10)	0.16
Consolidated Statement of Comprehensive Income			
(Loss)/Profit for the year		(614)	734
Items that may be classified subsequently to profit and loss			
Exchange differences on translating foreign operations		2	4
Total comprehensive income/(loss) for the year		**(612)**	**738**

Consolidated Statement of Financial Position

AT 31 DECEMBER 2021

	Note	2021 £000	Restated 2020 £000
Assets			
Non-current assets			
Intangible assets	8	3,282	2,798
Property, plant and equipment	9	167	235
Right-of-use asset	10	36	92
Deferred tax asset	11	-	32
Total non-current assets		**3,485**	**3,157**
Current assets			
Inventories		-	6
Trade and other receivables	12	1,079	864
Cash and cash equivalents	13	5,736	1,175
Total current assets		**6,815**	**2,045**
Total assets		**10,300**	**5,202**
Liabilities			
Current liabilities			
Trade and other payables	14	1,160	907
Borrowings	15	5	8
Lease liabilities	16	98	181
Total current liabilities		**1,263**	**1,096**
Non-current liabilities			
Borrowings	15	-	5
Lease liabilities	16	-	94
Total non-current liabilities		**-**	**99**
Total liabilities		**1,263**	**1,195**
Net assets		**9,037**	**4,007**
Equity			
Issued capital	17	657	457
Share premium	18	5,590	148
Other reserves	18	481	479
Reverse acquisition reserve	18	(5,244)	(5,244)
Retained profits	18	7,553	8,167
Total equity		**9,037**	**4,007**

The financial statements were approved by the board of directors on 15 June 2022 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 2021

	Issued capital £000	Share premium £000	Other Reserves £000	Reserves £000	Retained earnings £000	Total equity £000
Consolidated						
Balance at 1 January 2020	457	148	475	(5,244)	7,433	3,269
Profit after income tax expense for the year	-	-	-	-	734	734
Translation movement	-	-	4	-	-	4
Share options exercised	-	-	-	-	-	-
Balance at 31 December 2020	457	148	479	(5,244)	8,167	4,007
Issue of shares	200	5,442	-	-	-	5,642
Loss after income tax expense for the year	-	-	-	-	(614)	(614)
Translation movement	-	-	2	-	-	2
Balance at 31 December 2021	**657**	**5,590**	**481**	**(5,244)**	**7,553**	**9,037**

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £000	Restated 2020 £000
Profit before taxation		(582)	532
Adjustments for:			
Amortisation of intangibles		570	216
Depreciation of property, plant and equipment		129	111
Depreciation of right-of-use assets		56	57
Unrealised currency translation gains		2	4
Interest paid		10	29
Operating cash flows before movements in working capital		**185**	**949**
Decrease in inventories		6	6
Increase in trade and other receivables		(215)	356
Increase in trade and other payables		253	433
Cash generated by operations		**229**	**1,744**
Income taxes received		-	202
Interest paid in cash		(10)	(27)
Net cash from operating activities		219	1,919
Cash flows from investing activities			
Purchases of property, plant and equipment		(61)	(21)
Purchases of other intangible assets		(90)	-
Development expenditure capitalised		(964)	(896)
Net cash used in investing activities		(1,115)	(917)
Cash flows from financing activities			
Net proceeds from share issues		5,642	-
Repayments of borrowings		(8)	(21)
Repayments of lease liability		(177)	(126)
Net cash used in financing activities		5,457	(147)
Net Increase/(decrease) in cash and cash equivalents		4,561	855
Cash and cash equivalents at the beginning of the financial year		1,175	320
Cash and cash equivalents at the end of the financial year	13	5,736	1,175

Notes to the Financial Statements

AT 31 DECEMBER 2021

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 Brockbourne 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.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the company.

Basis of preparation

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

As a result of the UK leaving the EU, the International Accounting Standards and European Public Limited-Liability Company (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/685) require all companies with accounting periods beginning on or after 1 January 2021 to apply UK-adopted IAS. In the previous year the company applied International Financial Reporting Standards as adopted in the European Union (EU-adopted IFRS). Prior year comparatives have not been restated for this change. On 1 January 2021 UK-adopted IAS and EU-adopted IFRS were identical. Since this date timing differences in endorsement have arisen, however no amendments would be required to these financial statements if they were to be prepared in accordance with EU-adopted IFRS as at 31 December 2021.

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 and derivative financial instruments.

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 the settlement of such transactions and from the translation at 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 transferring goods or services 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.

Rendering of services

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.

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.

Going concern

The directors have carefully considered the company's financial position, liquidity and future performance. As set out in the strategic report, the directors believe the company and group are well placed to manage its business risks successfully. Accordingly they have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future and they believe it is appropriate to apply the going concern basis of accounting in preparing the financial statements.

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.

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2021

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.

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 a derivative; 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.

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2021

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 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 as follows to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives:

Office and computer equipment	5 years straight line
PDA and smartphone equipment	3 years straight line
Fixtures and fittings	4 years reducing balance

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, as 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.

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. 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.

Amortisation is calculated on a straight line basis to write off the net cost of each item of intangible asset over its expected useful life as follows:

Enterprise Development Expenditure	10 years straight line
Consumer Focused Development Expenditure	5 years straight line
Website Development costs	3 years straight line
Incremental contract costs	3 years straight line

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.

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.

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2021

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.

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 2021. 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.

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2021

Capitalisation of internally generated R&D:

There is a degree of estimation and judgement on the capitalisation 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. There 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.

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:

	2021 £000	2020 £000
Revenue by business activity		
Mobility solutions and related development services	3,766	3,212
Software development & support	348	330
	4,114	3,542

Revenue can be further analysed by geographic region as follows:

	Turnover		Operating profit		Non-current assets	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
Geographical regions						
UK	3,735	3,267	(698)	670	3,485	3,157
Ireland	379	275	84	64	-	-
	4,114	3,542	(614)	734	3,485	3,157

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2021

4. Expenses

Profit before income tax includes the following specific expenses:

	2021 £000	2020 £000
Depreciation		
Plant and equipment	135	111
Buildings right-of-use assets	56	57
Total depreciation	**191**	**168**
Amortisation		
Development software	388	216
Total depreciation and amortisation	**579**	**384**
Finance costs		
Interest and finance charges paid/payable on lease liabilities	10	29
Finance costs expensed	10	4
Auditors remuneration for:		
Audit services	12	11
Auditing of accounts of associates of the Company	29	14
Other services supplied pursuant to such legislation	6	6

5. Employees

Staff costs (including executive directors) were as follows:

	2021 £000	2020 £000
Wages and salaries	2,056	1,475
Non-executive directors' fees	65	40
Compulsory social security contributions	253	184
Pension costs	104	111
	2,478	1,810

Directors emoluments included in the above:

	2021 £000	2020 £000
Wages and salaries	521	475
Non-executive directors' fees	65	24
Compulsory social security contributions	83	78
Pension costs	65	84
	734	661

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

A detailed breakdown of the remuneration of the Directors is shown on page 44.

Average monthly staff numbers in the period were as follows:

	2021 No.	2020 No.
Sales and marketing	8	4
Technical and operations	23	22
Management, finance, and administration	7	7
	38	33

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2021

6. Income tax expense

	2021 £000	2020 £000
Numerical reconciliation of income tax expense and tax at the statutory rate		
(Loss)/Profit before income tax expense	(582)	532
Tax at the statutory tax rate of 19%	(111)	101
Effects of:		
Expenses not deductible for taxation purposes	-	-
Utilisation of tax losses brought forward	111	(101)
Release of deferred tax asset	(32)	-
R&D tax claim	-	202
Income tax expense	(32)	202

The Group has an unrecognised deferred tax asset relating to carried forward taxable losses of approximately £150,000 (2020: £199,000).

7. (Loss)/Earnings per share

The calculation of basic (loss)/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 (loss)/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:

	2021 £	2020 £
Basic earnings per share		
Reported (loss)/profit (£000)	(614)	734
Reported basic earnings per share (pence)	(0.10)	0.16
Reported diluted earnings per share (pence)	(0.10)	0.16

	2021 No.	2020 No.
Weighted average number of ordinary shares		
Opening balance	457,486,234	457,486,234
Effect of share placing during the year	138,630,137	-
Weighted average number of ordinary shares for basic EPS	596,116,371	457,486,234
Effect of options outstanding	-	2,938,478
Weighted average number of ordinary shares for diluted EPS	596,116,371	460,424,712

At 31 December 2021 there were 16,700,000 share options outstanding. These share options were not included in the calculation of diluted earnings per share because they are antidilutive in terms of IAS 33.

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2021

8. Intangible assets

Group	Enterprise Development Expenditure £000	Consumer Focused Development Expenditure £000	Website Development Costs £000	Incremental Contract Costs £000 Restated	Goodwill £000	Total £000
Cost						
At 1 January 2021	2,452	-	-	670	799	3,921
Additions	485	479	18	72	-	1,054
At 31 December 2021	2,937	479	18	742	799	4,975
Amortisation and Impairment						
At 1 January 2021	(810)	-	-	(313)	-	(1,123)
Charge for year	(197)	-	-	(183)	-	(380)
Impairment loss	(190)	-	-	-	-	(190)
At 31 December 2021	(1,197)	-	-	(496)	-	(1,693)
Carrying amount at 31 December 2020	1,642	-	-	357	799	2,798
Carrying amount at 31 December 2021	1,740	479	18	246	799	3,282

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 CONTINUED

AT 31 DECEMBER 2021

9. Property, plant, and equipment

Group Fixed Assets	Office and computer equipment £000	PDA and smartphone equipment £000	Fixtures and fittings £000	Total £000
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
Cost				
At 1 January 2021	171	1,203	63	1,437
Additions	56	-	5	61
Disposals/Scrapped	(49)	(593)	-	(642)
At 31 December 2021	178	610	68	856
Depreciation				
At 1 January 2021	(133)	(1,022)	(47)	(1,202)
Depreciation charge	(19)	(96)	(14)	(129)
Elimination on disposal	49	593	-	642
At 31 December 2021	(103)	(525)	(61)	(689)
Carrying amount at 31 December 2021	75	85	7	167

Included within the net book value of £167,000 is £66,175 (2020: £151,427) 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 £85,252 (2020: £ 60,572). There is no material difference between the value of the minimum lease payments and their net present value.

10. Right-of-use assets

Group	2021 £000	2020 £000
Land and buildings - right-of-use	207	207
Less: Accumulated depreciation	(171)	(115)
	36	92

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

11. Deferred tax

Group	2021 £000	2020 £000
Movements:		
Opening balance	32	32
Credited to profit or loss	(32)	-
Closing balance	-	32

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2021

12. Trade and other receivables

Group	2021 £000	2020 £000
Trade receivables	888	576
Other receivables	-	1
Prepayments and accrued income	191	287
	1,079	864

The average credit period to customers is typically 30 days. No interest is charged on outstanding trade receivables. The company does not hold any collateral. The carrying amount of trade and other receivables approximates the fair value.

As there is no significant increase in credit losses in the year, the loss allowance is remeasured to the 12 month expected credit loss as at the year end date.

As at 31 December 2021, trade receivables of £81,203 (2020: £81,458) were impaired and fully provided for. The ageing of trade receivables not impaired are as follows:

	2021 £000	2020 £000
Age analysis of trade receivables		
Age from invoice date		
< 30 days	555	454
30 – 60 days	180	49
60 – 90 days	121	30
> 90 days	32	43
	888	576

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

	2021 £000	2020 £000
Opening balance	81	104
Receivables collected in year previously provided for	12	-
Receivables written off during the year as uncollectable	-	-
Provision for receivables impairment for the year	(12)	(23)
	81	81

Company	2021 £000	2020 £000
Amounts recoverable from Group undertakings	1,800	1,331
Other receivables	4	41
Prepayments and accrued income	1	47
	1,805	1,419

13. Cash and cash equivalents

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

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2021

14. Trade and other payables

Group	2021 £000	2020 £000
Trade payables	428	83
PAYE and social security	83	128
VAT	39	359
Accruals and deferred income	610	337
	1,160	907

Company	2021 £000	2020 £000
Trade payables	5	29
Amounts owed to Group undertakings	-	423
Accruals	36	23
	41	475

15. Borrowings

Group	2021 £000	2020 £000
Secured bank loans – current	5	8
Secured bank loans – non-current	-	5
Secured bank loans	5	13

16. Lease liabilities

Group	2021 £000	2020 £000
Maturity analysis:		
Year 1	98	181
Years 2 – 5	-	94
After five years	-	-
Lease liability	98	275

17. Share capital

Authorised	2021 Shares	2020 Shares	2021 £'000	2020 £'000
Ordinary shares of 0.1p each	711,950,842	711,950,842	712	712

Issued, called up	2021 Shares	2020 Shares	2021 £'000	2020 £'000
Ordinary shares - fully paid	657,486,234	457,486,234	657	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). The share options may not be exercised for three years from date of issue and thereafter, only if the target share price is achieved.

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2021

At 31 December 2021 the following options were outstanding in respect of ordinary shares.

Date of grant	Expiry date	Number issued	Expired/ cancelled	Exercised in 2020	Outstanding at 31 December 2021
Issued under EMI scheme					
22 December 2020*	22 December 2030	16,700,000	-	-	16,700,000

Expense charged to the income statement

The total expense recognised for the year arising from equity compensation plans was as follows:

	2021 £	2020 £
Equity-settled expense	11,133	-

Fair value of options and awards granted

The weighted average fair values of options granted, estimated by using the Black Scholes Option pricing model, were £0.007 (2020: £0.007).

Share options

The fair value of the options was estimated on the date of grant, based on the following weighted average assumptions:

Weighted average assumption	2021	2020
Share price	£0.034	£0.034
Exercise price	£0.0335	£0.0335
Expected volatility	30%	30%
Expected life	3 years	3 years
Risk-free interest rate	0.296%	0.296%

The expected volatility used was based on the historical volatility of the share price over a period equivalent to the expected life of the option prior to its date of grant. The risk-free interest rate was based on the yields available on UK government bonds as at the date of grant. The bonds chosen were those with a similar remaining term to the expected life of the options.

18. Reserves

	Share premium £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000
Balance as at 1 January 2020	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
Loss after income tax expense for the year				(614)
Issue of shares	5,442			
Translation movement		2		
Balance as at 31 December 2021	5,590	481	(5,244)	7,553

	Share premium £000	Other reserves £000	Retained earnings £000
Balance as at 1 January 2020	148	337	3,582
Loss after income tax expense for the year			(198)
Balance as at 31 December 2020	148	337	3,384
Loss after income tax expense for the year			(214)
Share option expense		11	
Issue of shares	5,442		
Balance as at 31 December 2021	5,590	348	3,170

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2021

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 2021. 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 (IE) Limited		
mpro5 Inc (13 May 2021)	Mobile data solutions	Delaware, USA
Owned by Crimson Tide mpro Limited		
Moneymotive Limited (100%)	Non-trading	England and Wales
Owned by Moneymotive Limited		
Callog Limited (100%)	Telecoms Software	England and Wales

Company	2021 £000	2020 £000
Shares in subsidiary undertakings - at cost	5,297	5,297
Less: Impairment	(1,929)	(1,929)
	3,368	3,368

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:

Group	2021 £000	2020 £000
Financial assets		
Cash at bank and in hand	5,736	1,175
Financial liabilities		
Secured loans	5	9
Finance leases	98	189

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.

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2021

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. Related party transactions

The interests of the Directors in share options are shown on page 24.

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

22. Prior period restatement

During the year, it was identified that under IFRS 15, costs that are incremental to obtaining a contract should be capitalised. There was therefore a reclassification applied from prepayments to intangible assets of £246,218 (2020: £357,138). The impact of this has £nil impact on reserves and £nil impact on total assets.

Company Statement of Financial Position

AT 31 DECEMBER 2021

	Note	2021 £000	2020 £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	1,805	1,419
Cash and cash equivalents	13	4,633	14
Total current assets		**6,438**	**1,433**
Total assets		**9,806**	**4,801**
Liabilities			
Current liabilities			
Trade and other payables	14	41	475
Total current liabilities		**41**	**475**
Total liabilities		**41**	**475**
Net assets		**9,765**	**4,326**
Equity			
Issued capital	17	657	457
Share premium	18	5,590	148
Other reserves	18	348	337
Retained profits	18	3,170	3,384
Total equity		**9,765**	**4,326**

As permitted by Section 408 of the Companies Act, the profit and loss account of the Parent Company is not presented as part of these accounts. The Parent Company's loss for the financial year amounted to £214,259 (2020 loss: £198,076).

The financial statements were approved by the board of directors on 15 June 2022 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 2021

	Issued capital £000	Share premium £000	Reserves £000	Retained earnings £000	Total equity £000
Company					
Balance at 1 January 2020	457	148	337	3,582	4,524
Loss after income tax expense for the year	-	-	-	(198)	(198)
Balance at 31 December 2020	457	148	337	3,384	4,326
Shares issued	200	5,442	-	-	5,642
Share option expense	-	-	11	-	11
Loss after income tax expense for the year	-	-	-	(214)	(214)
Balance at 31 December 2021	**657**	**5,590**	**348**	**3,170**	**9,765**

Company Statement of Cash Flows

AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Loss before taxation		(214)	(198)
Adjustments for:			
Share option expense		11	-
(Increase)/decrease in trade and other receivables		(386)	18
(Decrease)/increase in trade and other payables		(434)	160
Net cash from operating activities		(1,023)	(20)
Cash flows from financing activities			
Net proceeds from share issues		5,642	-
Net cash used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		4,619	(20)
Cash and cash equivalents at the beginning of the financial year		14	34
Cash and cash equivalents at the end of the financial year	13	4,633	14

Officers and Professional Advisors

Board of Directors	BRJ Whipp (Chairman) SK Goodwin TJT Hawkins LA Jeffrey PM Hurter JK Daniell
Secretary	PM Hurter
Registered office	Brockbourne 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	DMH Stallard LLP 135 High Street Crawley RH10 1DQ
Website	www.crimsontide.co.uk

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