crimson tide

Annual Report and Accounts

2022

www.crimsontide.co.uk

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WHAT OUR CUSTOMERS SAY

"mpro5 completely revolutionised our supply chain - an auditor can come into the business, pick a day of the week and see exactly what we delivered."

Alan Flower
Business Analyst & Consultant
Evening Standard

2022 Highlights

Financial

REVENUE

£5.4m

2021: £4.1m

▲ 30%

ANNUAL RECURRING REVENUE

£5.75m

2021: £3.8m

▲ 51%

LBITDA

£0.4m

2021: nil

following investment in people, platform and marketing

CASH AT YEAR-END

£3.6m

2021: £5.7m

BARRIE WHIPP, EXECUTIVE CHAIRMAN OF CRIMSON TIDE, COMMENTED:

"In 2022, we grew our key metric, Annual Recurring Revenue, to £5.75m, a record and substantially ahead of the previous year. We saw the height of the deployment of the capital raised in 2021, and all departments of the Company benefitted from fresh investment in technology, people and marketing. As we see the results of these investments, we expect our ability to scale domestically and internationally to increase our technology, marketing and international growth.

Our team has scaled, and in 2023 the most significant upgrades to our technology since the original mpro5 will be complete. Our investments in IoT and the United States should allow us to deliver further growth in ARR, and we are prosecuting a partner-led strategy to optimize our opportunities."

Operational

- Significant contract wins in retail and utilities sectors
- Integration of IoT capabilities into smart workflows
- US pipeline established

WHAT OUR CUSTOMERS SAY

“In our business, robots are for fridges, but people are the best waiters. mpro5 helps us maximise our ability to add human value to the customer experience.”

Josh Posner
Programme Manager
Restaurant Associates

Company Overview

Crimson Tide plc is the provider of mpro5, the Smart App Solution. mpro5 is delivered on smartphones and tablets, and enables organisations to digitally transform their business and strengthen their workforce by smart mobile working. mpro5 is hosted in the cloud on Microsoft Azure. The Company's contracts are provided on a long term, contracted subscription basis and clients can immediately experience a return on their investment.

Crimson Tide's Annual Recurring Revenue (ARR) contracts are typically on an initial 36-month subscription basis, with many extending and expanding significantly beyond the initial contracted date.

FACILITIES MANAGEMENT

TRANSPORTATION

CATERING SERVICES

RETAIL

HEALTHCARE ESTATES

Chairman's Statement

"

The financial year to 31 December 2022 saw the largest investments in growth in the Company's history that impacted all areas of the business.

Barrie R. J. Whipp
Founder & Chairman
30 May 2023

The financial year to 31 December 2022 saw the largest investments in growth in the Company's history that impacted all areas of the business. The results, in terms of our key metric, Annual Recurring Revenue, have been very pleasing. Annual Recurring Revenue stood at £5.75m at the year end, allowing us to forecast with confidence.

We commenced a technology-wide upgrade programme, Project Saturn, affecting all areas of our development process. Client websites, which are used to schedule and report upon mpro5's jobs and flows, underwent a fundamental upgrade, and by the year end, our first wave of upgrades was rolled out. They have been well received by our customers. The development of the beepro mobile app will underpin our new Angular 14 / Ionic 6 mobile rollouts in 2023. We also plan the introduction of new notification, messaging and AI technologies in 2023, which will ease our configuration and support requirements, especially as we expand internationally. The Internet of Things (IoT) is becoming a more fundamental part of our offering. We were able to add a new back-end processing system to handle sensor input, with listening technology and a new front-end system planned for 2023.

We were able to add key hires to our team in the year, reinforcing the management team below the Executive Board. This has expanded our ability to grow the business, knowing that our day-to-day operations are grounded and scalable. Reassuringly, the management team is now set and requires no further expansion. Our staff complement is around 50, which is not expected to grow further, save for growth strategies in Sales & Marketing.

Our growth in ARR came from both new customers and the expansion of our offering across our existing base. Our sector-based focus on transportation, retail facilities and FM persisted, with the significant addition of the utility industry. Geographically, we continued to expand our sales in EMEA. Growth in these regions is leading us in the direction of establishing an overseas partner network. In the

United States we closed our first sale in January 2023. Implementing mpro5's sensor-driven actions with a global networking organization is very exciting. This office in San Francisco is a flagship site for our IoT capabilities and will be used by the client to demonstrate mpro5 to its partner base. Our US office is established, and we are pursuing a partner-led strategy supported by our team in Raleigh, NC.

Direct marketing has not been an area where we have had significant success; however, our awareness campaigns led to some successes in 2022. Our beepro campaign had limited success in a trades market where the cost of living issues for nano-businesses meant that additional investment was less palatable than expected.

It is unusual for Crimson Tide not to include Profitability as a key metric in our financial performance. 2022 saw the height of our investment programme and resulted in an entirely expected loss at all the traditional lines in the Statement of Comprehensive Income. We invested in the mobile product and development staff, grew investments in the United States and spent more than we ever have on marketing as well as investing in our key team. These investments allowed us to grow the top line to a figure which exceeded market forecasts but, more critically, grew ARR to a record figure of £5.75m, underpinning performance in 2023 and beyond. Our investments are levelling out and being increasingly covered by ARR; we expect to turn into profit again at a point in time in the second half of 2023. Our cash profile (where we hold a substantial amount of cash and no debt) is levelling out in the vicinity of £3m. We continually monitor opportunities for further growth as we go forward; however, our pipeline is at record levels and includes a good percentage of transactions in the United States.

Finally, we have appointed new auditors, are finalizing the recruitment of two new independent Directors and investigating subsidiary Company structuring, as well as a new Employee Benefit Trust. The Directors are pleased with our performance and look forward with optimism to the future.

Barrie RJ Whipp, Founder & Chairman

Chief Executive's Statement

Throughout 2022 we continued to build on the investments made in the previous year.

Jacqueline Daniell
CEO
30 May 2023

We made significant strides in the implementation of the roadmap strategy for the mpro5 product, positioned mpro5 for expansion in the US and other locations, reinforced internal structures and scaled our marketing effort.

The rewriting of our core platform, automation engine and IoT framework provides a firm grounding for mpro5 product innovation. The web application redesign was completed, including a more responsive and modern UI/UX. The building out of all the features and the implementation of the mpro5 mobile front end will now follow. During 2022, comprehensive R&D was completed utilising our One Platform approach, and we will now benefit from simpler technical implementation, significantly enhancing the end-user experience and the level of functionality.

Our partner strategy is seeing pleasing results, especially with Cisco Meraki, where mpro5 is now available within their Meraki marketplace. This positions mpro5 for expansion amongst their partners globally. In the US, particularly, opportunities continued to build throughout the year, with the San Francisco showcase potentially extending to other locations around the world.

Subscription additions to Monthly Recurring Revenue increased significantly, and our marketing effort continues to evolve; software buying trends have been better reflected in our marketing focus, and content is noticeably influencing buyers.

Overall, the pipeline growth, engagement and velocity of the Company are continuously increasing, and we remain excited as these opportunities mature and subscriptions grow.

Jacqueline Daniell, CEO

Financial Review

Financial indicator	Year ended December 2022 £m	Year ended December 2021 £m
Revenue	5.35	4.11
Gross profit margin	83.5%	84.7%
(LBITDA)/EBITDA	(0.40)	nil
Loss before tax	(1.69)	(0.58)
Annual recurring revenue (ARR)	5.75	3.80
Cash	3.62	5.74

Revenue

The Group's sustained focus of delivering long-term revenue at a high margin contributed to revenue growth of 30% (2021: 16%) of which 87% was recurring contracted revenue. Annual recurring revenue (ARR) as at 31 December 2022 of £5.75m (2021: £3.80m) increased by 51%. This was achieved by adding new long-term contracts and selling more to existing customers. Revenue churn of 3.8% (2021: 2.4%) was within management's 5% target range. The gross profit margin of 83.5% (2021: 84.7%) remained above the Board's 80% target rate.

Cashflow and Liquidity

Cash at year-end amounted to £3.62m (2021: £5.74m). Following investment in enhancing the sales and marketing operations, developing our platform for wider user cases, and funding of the first full year of operations in the USA, net cash expended by operations was £0.67m (2021: £0.23m – cash generated). This amount was in line with management's expectations, due to the above-mentioned investment in growth post the 2021 fundraise.

Trade Receivables

Trade receivables at year-end amounted to £1.21m (2021: £0.89m). The increase is in line with revenue growth of 30%. The Group continues to have low default rates due to the quality of its customer base.

Debt and Finance Costs

Finance leases increased to £0.78m (2021: £0.10m) due to the recognition requirements of a new 10-year office lease (with a 5-year break clause). Finance charges amounting to £0.05m (2021: £0.01m) primarily relate to this lease.

Capitalisation of Intangible Assets

Software development costs of £1.27m (2021: £0.96m) were capitalised during the year. Software amortisation during 2022 amounted to £0.74m (2021: £0.44m) which included an impairment charge of £0.26m in respect of redundant parts of our software. The amortisation period of the mpro5 intangible asset was reduced from 10 to 7 years in 2022. The value of the capitalised software intangible asset at year-end was £2.74m (2021: £2.22m).

Earnings per Share

The average number of ordinary shares in issue during the year was 657.5m (2021 596.1m). Basic and diluted loss per share was 0.19p (2021: 0.10p).

Tax

No corporation tax charge has been included (2021: £nil) due to the loss before tax for the year. The Group received an R&D tax rebate of £0.45m (2021: £nil).

Case Study
Tesco

mpro5

RETAIL

63%

REDUCTION IN CHECKS NEEDED

"mpro5 is the most agile platform in our business: it has got us further down the line in 3 weeks than other systems got to in years."

Senior Manager, Tesco

“

The ease of use and in stores is a huge plus. Other systems are nowhere near as agile as mpro5.

Senior Manager, Tesco

Introduction

Our work with Tesco started over ten years ago, helping them with store cleanliness.

Today, we have over 30 service lines with them, 160,000 users that have completed 90 million flows and scheduled 113 million tasks, with over 350 different workflows available for their use on the mpro5 app.

We may have taken ten years to reach this point, but it took just three days to implement their first service.

We've delivered agile, effective digital transformation across Britain's largest retailer.

Results

We've delivered stream-lined, smart compliance and operations processes that have saved Tesco millions every year.

Digitalisation of in-store logbooks allowed them to cut the number of daily checks down by 63% and reduce the number of slips and trips claims made against the company by 60%.

Our automated corrective actions mean that as soon as an issue is identified, managers know about it and a job is assigned to fix the issue, closing the feedback loop and ensuring nothing gets forgotten.

But digitalisation has also had a profound impact on the company culture, driving much deeper insight into their compliance data, and providing employees with a tool they strongly feel has empowered them in their roles.

We have also saved Tesco millions every year in paper costs, helping them to create more sustainable operations in the process.

Problem

Tesco was burdened by many manual, paper based processes, which were hurting the business more than they were helping.

This made the data difficult to verify, and it was tempting for busy 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 for insight until the next audit.

Follow-up actions were difficult to implement and even harder to track.

As the business grew this disjointed approach to data needed to be resolved in order to manage compliance better, protecting the business and customers better.

Solution

“When using other software we have, 90% of our colleagues say, ‘Why can’t it be more like mpro5?’.”

Senior Manager, Tesco

Piece by piece, we converted processes into simple workflows that can be done on the go using our mobile app.

mpro5 was then integrated into their back-office analytics solution to view data in a way that was most useful to them.

We also configured mpro5 to send out remedial actions automatically if something isn't right. For example, if a fridge temperature check is recorded as being too high, a maintenance team will be told what's gone wrong and where. The platform then tracks the job so managers know when the problem has been dealt with.

All this happens in real time, giving visibility, driving actions and encouraging insight.

It was important to Tesco that adoption of mpro5 was smooth and that their employees found it easy to use. We developed ideas such as ‘Bring Your Own Device’ so that users could voluntarily use their own phone for expedience and familiarity.

Case Study
Cadent

mpro5

FACILITIES MANAGEMENT

Creating a flexible data and works link between Cadent and their Reinstatement partners.

Introduction

Cadent bring gas to 11 million homes and businesses throughout the UK.

We worked closely with Cadent to move them away from manual ways of working since their reinstatement task management process was brought in-house.

mpro5 acts as the glue between various sub-contractors, known as Reinstatement Providers (RPs), and Cadent's back-end data system.

Many of these sub-contractors also benefit from using mpro5 as their own works management system.

The Results

RAPID REPORTING – Departmental reports can be produced quickly and easily using mpro5, providing insight and visibility of reinstatement.

IMPROVED EFFICIENCY – Manual data entry and administration tasks have been cut out of the reinstatement process; RPs who didn't have a works management solution in place can now use mpro5 to capture data and report.

REDUCED COSTS – Delays to works have been drastically reduced thanks to seamless task sharing and real time jeopardy alerting that helps to focus efforts.

Combined with an accurate picture of all job statuses, Cadent has been able to reduce the number of aborted jobs in the West Midlands Region by 80% in the first year.

The Problem

Since bringing reinstatement task management in-house, Cadent have had three core challenges: managing data passed between themselves and their sub-contractors, the speed of works and the cost.

Cadent were using a combination of SAP, Works Management Systems and Excel workbooks passed between themselves and the RPs.

This was making it difficult to coordinate works accurately, resulting in slow completion and additional costs.

Any solution needed to encompass their reinstatement sub-contractors' bespoke needs to plan, schedule and dispatch work items.

The Solution

We connected SAP directly to mpro5 via an API (Access Program Interface) and then created a separate Open REST API for the contractors to plug in their own software.

This allows works raised via Cadent's SAP system to be made available to RPs, completed and evidenced.

Our custom-built dashboard allows Cadent to view the status of any works, and carry out jeopardy management, reporting and validation or authorisation of requested and completed works.

Crucially, mpro5 is acting as middleware, meaning that we can provide works management tools to sub-contractors or simply connect with any systems they already use.

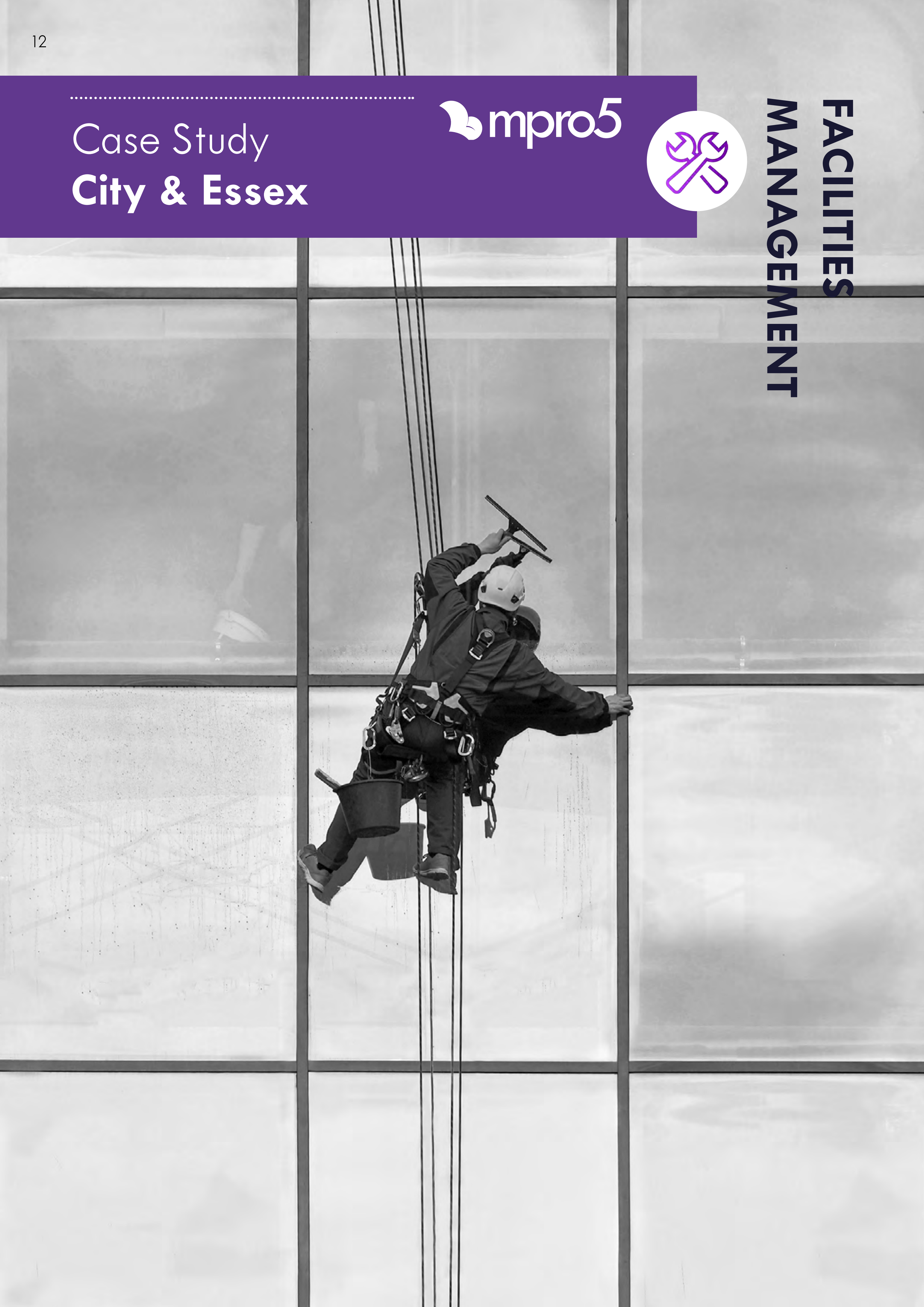
To further streamline processes for Cadent, we added a rate card to quickly compare expected and actual costs, automating the payment of jobs within set tolerances and flagging anything that needed additional approvals.


mpro5 is able to connect the dots for us between our Reinstatement Partners and our own data in SAP.
Head of Customer Operations, Cadent
80%
REDUCTION IN ABORTED JOBS IN THE WEST MIDLANDS REGION
RAPID REPORTING
IMPROVED EFFICIENCY
REDUCED COSTS

Case Study
City & Essex

mpro5

FACILITIES MANAGEMENT



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We've been able to use mpro5's data visualisation to win much new business, as we can clearly demonstrate the unique qualities of our innovative service.

Commercial Director, City & Essex

”

Managing quality, safety and client relationships with City and Essex.

Introduction

City & Essex have been providing professional cleaning services to many of London's most recognisable sites and companies for over 50 years.

With mpro5's help, they've taken another innovative step in their service with a solution that uses mobile-first auditing for compliance, health and safety and proof of works.

We have also provided them with an integrated IoT (Internet of Things) solution that enables reactive cleaning schedules.

The Results

Our solution has transformed the way City & Essex operate, giving them a single source of the truth for their data:

Real-time dashboards provide critical visibility of compliance and service information.

Their 3D model is both impressive and useful, allowing the team and clients to easily track the progress of window cleaning jobs.

IoT sensors allow cleaners to work reactively in response to actual demand for washrooms, which is both more effective and efficient.

They have successfully won new business thanks in part to this innovative approach to operations and data.

The Problem

The right software has the potential to take your business to the next stage, but City and Essex were stuck with job management software that was mediocre and limited.

Their previous solution lacked the ability to integrate easily with other systems, and its mobile application was dated and user-unfriendly.

This limited them from expanding the system across other processes such as health and safety compliance, which was still done on paper.

Innovation is a key priority for the business, and their solution was holding them back instead of facilitating new approaches.

The Solution

mpro5's flexibility means that City & Essex have been able to not only replace their old solution, but surpass expectations.

We helped them to configure workflows for auditing and jobs that flag urgent issues, maintain data integrity and protect their compliance record.

Using our mobile-first approach to job management and compliance, they were able to gather critical data on everything from job completion to the weather conditions during window cleaning jobs.

They use our dashboards for a total overview of operations and can drill down into the data to discover bottle necks in processes.

But the most critical feature for winning new business has been the ability to transparently share these same dashboards that demonstrates their conscientiousness and focus on improving service.

Strategic Report

Strategy and Objectives

The Directors present their strategic report on the Group for the year ended 31 December 2022.

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

- Increase contracted revenues ("MRR")
- Strengthen cashflows
- Geographic expansion
- Improve profitability

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 recovers these costs as quickly as possible over the contract term.

The Group is operationally geared with scalable 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.

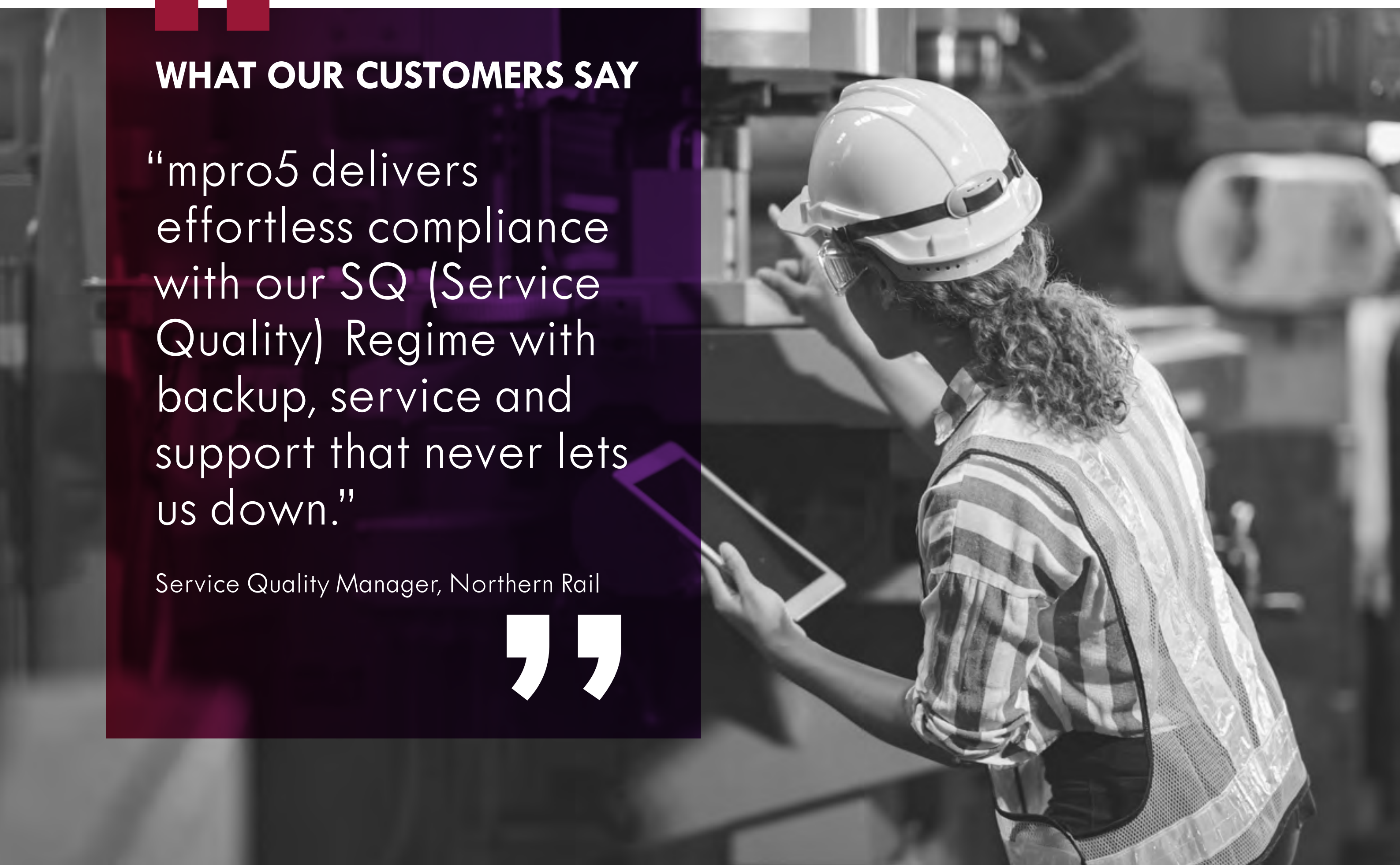
At 31 December 2022, the Group had a total of 52 employees and Directors analysed as follows:

	Male	Female
Directors	7	1
Senior Managers	3	1
Other employees	30	10

Key Performance Indicators

Management utilise a number of KPIs, both financial and operational, to measure the performance of the business and to assess current trends. These KPIs include Revenue, Gross Profit margin, EBITDA, Profit before Tax, ARR and Cash.

The Group uses hubspot to capture and monitor pipeline, and Zendesk to manage support and services. This data is amalgamated across the Group and shared in powerful interfaces that management can use to make informed decisions.



WHAT OUR CUSTOMERS SAY

"mpro5 delivers effortless compliance with our SQ (Service Quality) Regime with backup, service and support that never lets us down."

Service Quality Manager, Northern Rail

Strategic Report CONTINUED

Principal risks and uncertainties

Our principal risks and uncertainties are outlined below. These are the most significant risks that may adversely affect our business strategy, financial position or future performance. The risk assessment process evaluates the probability of the risk materialising and the financial or strategic impact of the risk. Those risks which have a higher probability and significant impact on strategy, reputation or operations, or a material financial impact are identified as principal risks. The risk assessment and reporting criteria are designed to provide the board with a consistent perspective of the key risks. The reports to the board, which are submitted twice per year as part of the ISO27001 audit, include an assessment of the probability and impact of risks materialising, as well as risk mitigation initiatives and their effectiveness. The identification of the principal risks is informed by discussions with each Head of Department, location and key enabling functions, identifying key risks and assessing the adequacy of mitigating controls. The Crimson Tide executive members have oversight of risks relevant to each of their areas of responsibility and these are included in their goals and objectives.

Risk	Impact on Company	Mitigation
Data Security	The risk of loss of data, a security breach and/or corruption of critical or private data held	All data is cloud stored within the Microsoft 365/Azure environment. There is a strict clear desk policy and all sensitive documentation is scanned and saved within password protected sharepoint. No data or client information is stored locally on laptops or hard drives
People risk	Failure to hire the correct candidates and maintain a positive working environment to retain key staff	Fully qualified HR team screens candidates thoroughly. Extensive on board training, monitoring and coaching. Ensure regular feedback sessions and appraisal meetings.
Product obsolescence	Failure to update the core product and ensure best in class back end and front end	We have hired and cultivate a talented team of developers who are constantly listening to customers and improving the mpro5 platform. We attend tradeshows, events and conferences to ensure we are at the forefront of the industry. Performance KPIs presented at Board level
Liquidity risk	Solvency and liquidity issues due to mismanagement of finances	Monthly management accounts and financial forecast produced and presented to the Board. Constant monitoring of finance KPIs including performance, liquidity and solvency ratios. Constant review of margins and capital projects to ensure a comfortable cash buffer. Fund raise in 2021 yielded £6m
Foreign exchange risk	The Company has operations in the US and some customers in Europe and the Middle East. This gives rise to forex risk	We utilise foreign exchange services where appropriate to hedge our risk and naturally hedge where appropriate

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. The Company continues to focus on growing the fledgling US operation, building off the success of its first major US customer, and enhancing the core mpro5 product investing substantially in improving both the software and the useability.

Research and development

The Company is currently undertaking research and development expand market sectors and to improve the performance of its mobile applications and integrated reporting platform. The Company has been focused on both fortifying and simplifying the coding infrastructure of our mpro5 product as well as enhancing the user experience.

Strategic Report CONTINUED

Section 172

Engaging with stakeholders is crucial to the long-term success of the Company. We have implemented an ambitious ESG strategy as evidenced in our Corporate Responsibility section. The Board and leadership team have reviewed the assessment results, prepared a roadmap and selected metrics and initiatives to track across FY23. More widely, stakeholder engagement is coordinated consistently in line with our fundamental principles, values and culture and informs better decision making at every level of the Company. We provide examples of how we build and maintain relationships with key stakeholder Groups on these pages. Section 172 of the Companies Act 2006 requires a Director of a company to act in a way that the Directors, in good faith, would most likely promote the success of the company for the benefit of shareholders. In doing so, consideration is given to a series of important matters, including:

- the likely consequences of any decisions in the long-term;
- investment in the company's employees;
- the need to foster the company's business relationships with its stakeholders including suppliers, customers, and others;
- the impact of the company's operations on the community and environment;
- the company's reputation for high standards of business conduct: and
- the need to act with integrity and fairness.

Shareholders	We are committed to engaging with shareholders using consistent and effective communication. Key considerations include the Company's financial performance, long-term strategy, corporate governance, and stewardship. The CEO and Finance Director have regular meetings with investors for formal and informal consultations. Formal meetings coincide with full-year and half-year results, including the Annual General Meeting. These are viewed not only as opportunities to present on recent performance and future development but to engage in conversation and answer questions.
Employees	We recognise our diverse, skillful and experienced workforce as our most important asset. The pandemic has led to a renewed focus on how best to engage with our employees. With an emphasis on flexible working, we are reviewing how to balance the benefits of remote working with the value of in-person collaboration. Regular on-site meetings and on-site/online Company-wide meetings allow the leadership team to present progress, listen to feedback and answer questions. We recently engaged in a company-wide employment survey which showed a 100% positive response for working relationships and line management. We take all feedback very seriously and we shared an action plan to all employees following the results. We have engaged in Leadership and Management team training to ensure that we always adhere to best practice and put our employees first.
Customers	Crimson Tide products are efficiency enabling for its customers. The Company digitises manual client log-books and provides simple work flows using mobile data apps. The products have a real impact on the way its customers plan and distribute workloads as well as ensuring the most efficient and timely use of resources. Crimson Tide is well known for its excellent customer service and our customer success team is highly regarded in the industry. Our whole business model is based around customer *with* a service. We look to engage collaboratively with our customers and their end-to-end experience is essential to our success. Crimson Tide utilizes Churn Zero software to enhance our service delivery to our customers.
Suppliers	Crimson Tide places a high value on its relationships with suppliers, including contractors and service providers. Trusted, collaborative partnerships facilitate efficient and effective business performance. The Company operates in a way that guards against unfair business practices and encourages suppliers and contractual partners to adopt responsible policies. Regular meetings and audits are held with key suppliers to gather feedback and continually improve relationships.
Community and Environment	Crimson Tide recognises its responsibility to drive continued efficiencies and improvements in the use of energy, our carbon footprint, water and waste and the impact our business has in day-to-day operations management as well as through our entire value chain. We have provided more clarity on specific within the Directors Report.

Shareholders

Signed on behalf of the Directors

Barrie Whipp

Founder & Chairman

30 May 2023

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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 62, 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:
£197,560

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

Jacqueline Daniell

(aged 61, Group CEO)

Jacqueline was appointed as Group CEO in August 2022 after holding the position of non-executive director of Crimson Tide since January 2021. She has over 16 years' experience as founder, director and CEO of education businesses that use digital technology to drive positive change for young learners and the wider education sector. Jacqueline's previous background in marketing has demonstrated how she has developed excellent relationships with key clients, stakeholders, government, and corporate institutions. She also has a track record of an ability to analyse trends, data, demographics, pricing models, and other strategies for improvement. Jacqueline's early career centred on securing investment in regeneration and infrastructure projects to support public sector visions for strong local economies and good quality of life, winning the award for Global Action 2000.

Shares held:
1,672,240

Annual Remuneration:
£106,667

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:
£22,500

*Mr Goodwin also had an interest as a trustee in 9,150,000 Ordinary Shares of 0.1p each as at 31 December 2022 and 31 December 2021

Anthony 'Tony' Gilbert Knowles

(aged 58, Non-Executive Director)

Tony is currently Chief Operating Officer of King's InterHigh, part of Inspired Education Plc, the leading global Group of premium schools. Tony joins as an independent Non-Executive Director and will also Chair the Remuneration committee. Tony is a graduate and Fellow of CIPD with a wealth of experience in a range of global technology businesses, with involvement in a number of fast growth organisations as well as M&A activities. Tony previously worked for technology Companies including SPTS, International Rectifier, Zuken Inc. as well as Standard Chartered Bank. Tony's skills embrace operational and sales direction as well as HR.

Shares held:
391,725

Annual Remuneration:
£10,417

Luke Anthony Jeffrey

(aged 39, Product Director)

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 stepped down from the role of CEO during August 2022 to focus on product development as Product Director. This role is responsible for all app variants underpinned by the mpro platform.

Shares held:
2,333,333

Annual Remuneration:
£122,862

Pieter ('Peter') Maree Hurter

(aged 45, 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:
£136,850

Thomas George Frank England

(aged 32, Technical Director)

Thomas joined the Company 8 years ago and has worked his way to head up the Company's software team, responsible for delivering all front-end and back-end development across the mpro platform. Thomas holds a Master's degree in Immunology from Imperial College London.

Shares held:
Nil

Annual Remuneration:
£109,667

Directors' Report

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2022.

Principal Activities and Review of the Business

The principal activity of the Crimson Tide Group of companies is the development and provision of a mobile software solution with a service platform. The principal activity of the Company ("Crimson Tide Plc") is a holding company and AIM listed vehicle providing management and support to the Group.

Results and Dividends

The trading results for the year and the Group's financial position at the end of the financial period are shown in the attached financial statements. The statements have been prepared under UK adopted International Accounting Standards.

Turnover for the year ended 31 December 2022 was £5.35m (2021: £4.11m) and the total loss before tax was £1.69m (2021: loss £0.58m). The Directors do not recommend payment of a final dividend.

Directors

The following Directors held office during the year:
BRJ Whipp
SK Goodwin
LA Jeffrey
TJT Hawkins (resigned 10 May 2023)
PM Hurter
JK Daniell
TGF England (appointed 2 August 2022)
AG Knowles (appointed 2 August 2022)

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	
	2022	**2021**
Director		
BRJ Whipp*	29,810,213	29,810,213
SK Goodwin***	25,871,509	25,871,509
LA Jeffrey	2,333,333	2,333,333
GB Ashley**	–	18,354,718
JK Daniell**	1,672,240	1,672,240
TJT Hawkins (resigned 10 May 2023)	433,333	333,333
PM Hurter	333,333	333,333
AG Knowles	391,725	–

* BRJ Whipp's wife holds an additional 38,000,000 Ordinary shares of £0.01 each as at 31 December 2022.

** GB Ashley resigned as Director on 30 November 2021. Ms. Daniell was appointed as Director on 28 January 2022.

*** SK Goodwin also had an interest as a trustee in 9,150,000 Ordinary Shares of 0.1p each as at 31 December 2022.

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

	Number of share options	
	2022	**2021**
Director		
LA Jeffrey	7,500,000	7,500,000
TH Hawkins	4,600,000	4,600,000
TGF England	800,000	–
PM Hurter	4,600,000	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 2022 £	Total 2021 £
Non-executive					
G B Ashley	–	–	–	–	18,000
S K Goodwin	22,500	–	–	22,500	24,000
A G Knowles	10,417	–	–	10,417	–
Executive					
B R J Whipp	163,560	–	34,000	197,560	173,861
J K Daniell	106,667	–	–	106,667	22,500
T J T Hawkins	136,667	65,000	6,600	208,267	167,576
L A Jeffrey	99,945	–	22,917	122,862	125,706
P M Hurter	98,467	–	38,383	136,850	117,142
T G F England	100,000	5,000	4,667	109,667	–
Total	**738,223**	**70,000**	**106,567**	**914,790**	**648,785**

GB Ashley resigned as Director on 30 November 2021

JK Daniell was appointed as Non-Exec Director on 28 January 2021 and CEO on 2 August 2022

AG Knowles was appointed as a Non-Exec Director on 2 August 2022

TGF England was appointed to the Board on 2 August 2022

Significant Shareholdings

As at 19 May 2023 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	82,000,000	12.47
Helen and Barrie Whipp	67,810,213	10.31
Lion Trust Investment Partners LLP	59,606,663	9.10
Gresham House Asset Management Limited	42,000,000	6.39
William Currie Group*	34,766,666	5.29
Herald Investment Management	32,333,333	4.92
Octopus Aim VCT plc	31,500,000	4.79
S K Goodwin**	25,871,509	3.93
S J M Morris	23,847,278	3.60
J W F Roth	20,631,159	3.14

* The shares are held by Mr. William Currie (3,333,333 ordinary shares) and William Currie Investments Ltd (31,433,333 ordinary shares).

** Mr. Goodwin also had an interest as a trustee in 9,150,000 Ordinary Shares of £0.01 each as at 31 December 2022 and 31 December 2021.

Directors' Report CONTINUED

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 Group 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 43 days (2021: 39 days). The Company is a holding company and has no significant trade creditors.

Employment Policy

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

Corporate Responsibility

Crimson Tide operates responsibly with regard to its shareholders, employees, other stakeholders, the environment and the wider community (refer to the Corporate Governance statement). 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.

The Company is subject to the UK City Code on Takeovers and Mergers.

Our Products

Crimson Tide plc products are efficiency enabling for our customers. The Company digitises manual client log books and provide simple work flows using mobile data apps. The products have a real impact on the way our customers plan and distribute workloads as well as ensuring the most efficient and timely use of resources.

This commitment drives all aspect of our culture and business, including how we develop our products, engage with our customers and staff as well as how collaborate with stakeholders.

ESG Governance: Our Board of Directors oversee our policies and operational performance for environmental, health & safety and social impact, and is led by the Chairman of our Board of Directors and our Chief Executive Officer. The Board of Directors meet quarterly to set objectives and review progress and achievements.

The Company has Whistle Blowing and Anti Bribery and Corruption policies that are fully trained and available to all staff. There is a clear escalation process to the Board and a monitoring and review process in place.

Environmental

In compliance with the Companies Act 2006 and in conjunction with the Guidance on Streamlined Energy and Carbon Reporting (SECR), Crimson Tide is classed as a 'Low Energy User' due to the low energy intensive nature of our business and operations. We are therefore not required to make detailed disclosure of energy and carbon information. Regardless, Crimson Tide recognises its responsibility to drive continued efficiencies and improvements in the use of energy, our carbon footprint, water and waste and the impact our business has in day-to-day operations management as well as through our entire value chain. Therefore, we drive to reduce environmental impacts from our building, product development, ways of operating and in the solutions we provide our customers.

1. Premises and Operations

Crimson Tide plc occupy a building that operates on 100% renewal energy. In addition, we operate efficiency lighting systems, a paperless working environment, water reduction management systems and recycling initiatives. The use of virtual meetings has reduced our travel requirements significantly. In addition, we have introduced a hybrid working policy that enables staff to work remotely 2-3 days per week. The Company has introduced a cycle to work scheme and encourages staff to participate in the programme. Airline travel is at a minimum as most of the customers are based in the UK or have regional head offices in the UK. Travel to the US by a select few occurs 2-3 times per year.

Directors' Report CONTINUED

2. Waste Management
All staff, contractors and visitors have a personal responsibility to ensure the waste they create is dealt with in accordance with this policy. Consideration must be given to applying the waste management hierarchy to all activities across the business.

Reduce: Only order/purchase/use the amount of materials required

Reuse: Retain materials which can be reused onsite or by others

Recycle: Segregate to maximise value of material for recycling

Recover: Energy from waste will be recovered where facilities allow

Dispose: Last resort

Certification of appropriate disposal (in the form of a waste transfer note, consignment note or certificate of disposal) will be obtained by FM/Estates staff when waste is removed by a contractor. All contractors removing waste must be registered with the Environment Agency (EA) to carry/broker waste, and proposed waste management site will need to be licenced or have letter of exemption issued by the EA. Waste should be prevented or minimised wherever possible and must be stored, carried, processed or disposed of in accordance with the principles of duty of care.

Social

People - At Crimson tide plc we strongly believe that our employees are fundamental to our business and we are proud of our outstanding work culture. Furthermore, we aim to be a valued business partner in our community.

Culture and Engagement - our environment drives and fosters innovation and collaboration across all levels of the Company. Employee development is a key enabler for personal and professional growth for all employees through performance reviews and learning & development plans. The Company informs and engages with all staff through Company meetings. Furthermore, there are recognition events and awards for staff at regular intervals.

Health and Safety - the health and safety of our employees, and vendors is of the utmost importance to us. We adhere to leading health and safety regulations at all times.

Diversity, Equality and Inclusion - we embrace and diversity in all its forms. Equality is integral to our recruitment and selection processes, as we aim to attract, retain and develop diverse talent. We strive to create and maintain a positive workplace, free from discrimination and harassment. We promote an environment of mutual respect, fairness and equality. Our total commitment to diversity and inclusion applies to all levels of the organisation including the Board of Directors, where we recognize that diversity strengthens board performance and promotes long-term shareholder value.

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 Group and Parent Company financial statements in accordance UK adopted International Accounting Standards. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website Publication

The Directors are responsible for the maintenance and integrity of the 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.

The Company is compliant with AIM Rule 26 regarding the Company's website.

Directors' Report CONTINUED

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;
- 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; and

Director's Insurance

The Company has provided qualifying third party indemnity for the benefit of it's directors. These were provided during the year and remain in force on the date of this report.

Change in Auditor

During the year, Shipleys LLP, who had been the Company's auditors since 2006, were replaced by PKF Littlejohn LLP. The decision to replace the previous auditors, Shipleys LLP ("Shipleys"), was made in accordance with our Company's policies and after careful consideration of various factors. We would like to express our appreciation to Shipleys for their services rendered over the years. Their professionalism and dedication to maintaining the highest standards of audit quality have been invaluable to our Company. We believe that the appointment of PKF Littlejohn LLP as our new auditors reinforces our commitment to transparency, accountability, and sound financial practices. We look forward to working closely with them to ensure the continued reliability and accuracy of our financial statements.

On behalf of the Board of Directors, we extend our gratitude to our shareholders, employees, and other stakeholders for their continued support as we navigate this transition and strive for excellence in our financial reporting.

Signed by order of the Board

Peter Hurter
Company Secretary
30 May 2023

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.

The Board of Directors is led by the Chairman who plays a vital role in ensuring effective Corporate Governance, as follows:

Leadership and Board Management: The Chairman provides leadership and direction to the board of directors, overseeing their activities and ensuring they fulfil their duties. He presides over Board meetings, sets the agenda, and facilitates discussions to make informed decisions.

Governance Structure and Policies: The chairman works with the Board to establish and maintain a robust governance framework for the Group. This involves developing policies, procedures, and guidelines that promote transparency, accountability, and ethical conduct within the organisation.

Strategy and Risk Oversight: The Chairman collaborates with the Board and senior management to formulate the Company's strategic objectives and monitor their implementation. He actively participates in discussions regarding risk assessment and mitigation, ensuring that appropriate risk management practices are in place.

Stakeholder Engagement: The Chairman represents the Group's interests and acts as a liaison between the Board, management, shareholders, and other stakeholders. He engages with shareholders, addressing their concerns and providing regular updates on corporate performance.

Board Composition and Succession Planning: The chairman leads the process of selecting and appointing Board members, ensuring an appropriate mix of skills, expertise, and diversity. He also oversees succession planning for senior management positions, identifying potential candidates and ensuring a smooth transition when necessary.

External Relations: The Chairman serves as a public face of the Company, representing it in external engagements such as industry conferences, shareholder meetings, and regulatory interactions. He fosters positive relationships with regulators, government entities, and other external stakeholders, promoting the Company's reputation and interests.

Performance Evaluation: The Chairman leads the evaluation process for the Board, its committees, and individual directors. He assesses Board effectiveness, identifies areas for improvement, and implements measures to enhance overall performance and governance practices.

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.

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.

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, five executive Directors and two non-executive Directors. Board meetings are held monthly.

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

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.

Corporate Governance Statement CONTINUED

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.

The Company holds bi-annual roadshows with its investor community presenting the latest financial position and performance and an update on forecast to the end of the year. The investors have ample opportunity to ask questions and make suggestions.

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

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

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

4. Embed Effective Risk Management, Considering Both Opportunities and Threats

The Board has responsibility for ensuring the Group has effective risk management processes and that a clear internal control policy exists. The key risks and associated controls are included within the Strategic Report. Crimson Tide has a framework of internal financial controls which is subject to review by the Executive Directors and the Audit Committee considering the ongoing risks faced by the Group. The auditor's Management Points letter is a key point of consideration for the Audit Committee and is discussed in detail during the meeting.

Crimson Tide's internal control environment includes:

- close involvement of the Executive Directors in the day-to-day running of the Group;
- clear lines of authority and reporting;
- regular internal audits of all Company departments;
- centralised control and decision-making over key areas such as capital expenditure and financing; and
- a suite of timely reports focusing on the key performance and risk areas. Such reports include monthly management accounts including current performance and the latest forecast updated monthly, an annual Budget and updating of all KPIs.

The Group undertakes regular updates and reviews of its business processes, co-ordinated by the Group finance and operations functions to ensure that it not only addresses basic financial controls but that non-financial controls are also in place over areas such as information security, calibration and certification, health and safety, environmental issues and adherence to law and regulations.

Mitigation can only provide reasonable, but not absolute, assurance against material misstatement or loss. As such the Group maintains appropriate insurance cover for the Group's activities, with the types of cover and insured values being reviewed on a regular basis by the Board.

The Group maintains a risk register which not only highlights risks relevant to its businesses but also details the actions being taken to mitigate these risks. These registers are reviewed regularly at Executive leadership team level.

The Board regularly reviews potential risks at Board Meetings and the Executive Directors regularly monitor KPIs. The Finance Director owns and updates a Risk Register at least twice a year, for the Group. This is also a fundamental part of the ISO27001 compliance.

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.

The Board of Directors meets every quarter and all Board Directors are required to be in attendance. All physical meetings were held at the Company's Head Office in Tunbridge Wells and each meeting has minutes.

The Board is comprised of the Chairman, five 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 Mr Anthony Knowles 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 nine years. The Board unanimously supports the

Corporate Governance Statement CONTINUED

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 to be 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.

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. Board members who are members of accredited bodies are all required to demonstrate appropriate levels of CPD which is appraised in quarterly meetings as part of their objectives.

7. Evaluate Board Performance Based on Clear and Relevant Objectives, Seeking Continuous Improvement

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

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

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

Succession planning is a vital task for boards. No member of the Board should become indispensable. How well succession is managed (particularly of the Chairman and the Chief Executive) represents a key measure of the effectiveness of a board.

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 Revenue, Gross Profit margin, EBITDA, Profit before Tax, ARR and Cash. 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.

Each Board Director is subject to bi-annual appraisals and they are measured against clear objectives that align with Group goals. An action plan is provided to assist any Director adhering to these objectives if performance falls short. The Group always strives to improve its existing skillset or recruit the best candidates from outside.

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.

The Group also maintains 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.

Corporate Governance Statement CONTINUED

9. Maintain Governance Structures and Processes that are Fit for Purpose and Support Good Decision-Making by the Board

The long-term success of the Group is the responsibility of the Board. Six Executive Directors have responsibility for the operational management of the Group's activities and development of the Group strategy. Two Non-Executive Directors are responsible for bringing independent and objective judgement to Board decisions. The Company Secretary is responsible for ensuring that Board procedures are followed, and applicable rules and regulations are complied with.

A corporate calendar is set at the beginning of the financial year and includes provisional dates for all Board and Committee meeting. Agendas are finalised and circulated with relevant supporting information and papers to Board members ahead of the meetings.

The Board has two sub-committees as follows:

The Audit Committee oversees the integrity of the financial results and risk management strategy of the Company. It engages and works with the external financial auditor and Group management. It reviews and reports to the Board on significant issues including estimates and judgements made in connection with the preparation of the Group financial statement. The Committee is comprised of Stephen Goodwin (NED) and Peter Hurter (Finance Director). The Committee met twice during the year on 13 June and 26 September 2022. These meetings were convened primarily to review and approve the interim and annual accounts and to review the Auditor's Management Letter points. Key considerations discussed and agreed as follows:

- The approval and appointment of PKF Littlejohn as Group auditors.
- The amortisation timeline on Enterprise Development capitalisation to be reduced from 10 years to seven years in line with the expected useful life.

There were no other items of note.

The Remuneration Committee ensures that the Group's Executive remuneration policy is aligned to the implementation of the Company strategy and shareholder interests. The Committee seeks to establish a remuneration policy that is designed to motivate, retain and attract Executives of the calibre necessary to achieve the Group's strategic ambitions. The Committee is comprised of Tony Knowles (NED, Chairman), Stephen Goodwin (NED) and Jacqueline Daniell (CEO). The Committee met once during the year on 1 July 2022. Revised salary bands were developed in line with industry benchmarks and flight paths designed in order to attract and develop talent. There were no other items of note.

Given the current size and complexity of the Group, the Board does not currently consider that a nominations committee is required.

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.

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.

Signed on behalf of the Directors

Barrie Whipp
Founder & Chairman
30 May 2023

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 2022 which comprise the Consolidated Statement of Profit or Loss and Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards 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 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards 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 financial statements section of our report. We are independent of the Group and parent company 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. Our evaluation of the directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing management's going concern assessment and discussions with management regarding the future plans and availability of funding;
- Reviewing the cash flow forecast to ensure mathematical accuracy;
- Obtaining corroborative and contradictory documentation for the key assumptions and estimates used in the cashflow forecast and challenging the reasonableness of these with management;
- Performing sensitivity analysis on the cash flow forecasts prepared by management, and assessing management's assessment of the worst case scenario and cash flows;
- Reviewing performance of the Group subsequent to the year end and other events impacting the going concern assumption; and
- Reviewing the adequacy and completeness of disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or parent 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.

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. We determined materiality for the financial statements to be:

Entity	Materiality £	Performance materiality £	Triviality threshold £
Group	106,000	64,000 (60%)	5,000 (5%)
Parent company	96,000	58,000 (60%)	4,800 (5%)

The benchmark used to calculated materiality for the Group financial statements as a whole was 2% of revenue. Revenue was deemed to be the most appropriate metric for Group materiality as revenue growth and expansion is a key performance indicator of the Group.

The benchmark selected for the parent company materiality was 1% of gross assets. As the parent company is not revenue generating, the significant balances in the parent company financial statements are the investments in the trading subsidiaries.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures. Given 2022 was our first year as auditors, we have concluded that 60% of materiality is appropriate to set performance materiality for the Group and parent company.

While materiality for the Group financial statements as a whole was set at £106,000, each significant component of the Group was audited to an overall materiality ranging between £97,000 and £50,000, with performance materiality set at 60%.

We applied the concept of materiality in planning and performing our audit and in evaluating the effects of misstatement. No significant changes have come to light during the audit which required a revision to our materiality for the financial statements as a whole.

Our approach to the audit

Our audit was risk based and designed to focus our efforts on the areas at greatest risk of material misstatement, aspects subject to significant management judgement as well as greatest complexity, risk and size.

As part of designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgement by the directors and considered future events that are inherently uncertain. These areas of estimate and judgement included:

- Revenue recognition in relation to subscription contracts over time;
- Carrying value and impairment assessment of intangible assets, including goodwill, acquired intangibles and internally generated intangibles;
- Share based payment transaction valuation; and
- Carrying value of and recoverability of the investments and intra-Group receivables

We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

A full scope audit was completed on the financial information of all of the Group's significant operating subsidiaries by PKF Littlejohn LLP and no component auditors were engaged.

The key audit matters and how these were addressed are outlined below.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key Audit Matter	How our scope addressed this matter
Revenue recognition (Note 3) Under ISA (UK) 240, there is a rebuttable presumption that revenue recognition is a significant fraud risk. The Group's revenue is derived from the provision of the bespoke software platform & support over a subscription period, which is recognised both over time and at a point in time depending on the underlying agreement. The Group has a high number of subscription agreements each with different terms, start dates and performance obligations. There is a risk that revenue is materially misstated due to incorrect application of IFRS 15.	Our work in this area included: • Documenting our understanding of the internal control environment in operation for the material revenue streams; • Performing a review of a sample of contracts to ensure revenue is recognised in line with IFRS 15 and the contractual performance obligations; • Substantive transactional testing of revenue recognised in the financial statements, including recalculation of amounts recognised against contracts; • Performing substantive analytical review from the contract listing to arrive at an expected revenue and comparing this to the amount recorded per the financial statements; • Reviewing post year end credit notes to ensure revenue has not subsequently been reversed and reviewing post year end receipts to ensure completeness of revenue recorded in the accounting period; • Evaluating and testing the proper accounting of the commission costs capitalised as part of the revenue contracts in accordance with IFRS 15; and • Reviewing disclosures within the financial statements to ensure consistency with the underlying contracts.
Carrying value of internally generated intangible assets (Note 8) The Group capitalises development costs in relation to its revenue generating mPro 5 software platform and other internally generated assets. The costs are capitalised in accordance with *IAS 38 Intangible Assets* and assessed annually for impairment. Impairment assessments are subject to significant judgement and estimation around key inputs. There is a risk that the carrying values exceed their recoverable values through non-recognition of impairment losses or incorrect capitalisation of costs under IAS 38.	Our work in this area included: • Substantively testing the additions during the period to ensure in line with the recognition criteria of the Group and IAS 38; • Obtaining the Group's impairment assessment and challenging the reasonableness of key assumptions to external and internal data, including budgets, cash flow forecasts and future contracted revenues; • Evaluating the reasonableness of cash flows and projections in the model through comparison to actual and prior period performance; • Verifying the integrity of the data and mathematical accuracy of supporting calculations; • Performing sensitivity analysis on key assumptions to ascertain the impact of possible changes which would eliminate the headroom over carrying value; • Evaluating management's assessment of expected useful economic lives; • Considering whether any other indicators of impairment are present under IAS 36 having reference to internal and external factors; • Reviewing expense ledgers to ensure consistency of the capitalisation policy and completeness of the costs capitalised; and • Reviewing appropriateness of the capitalisation policy and the disclosures and classification of items within the financial statements.

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

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 Group and parent company 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.

Opinions 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 their 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 in relation to which 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, the directors are responsible for the preparation of the Group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and parent company financial statements, the directors are responsible for assessing the Group 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.

Auditor's 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:

- We obtained an understanding of the Group and the parent company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and sector experience.
- We determined the principal laws and regulations relevant to the Group in this regard to be those arising from:
  - AIM Rules for Companies;
  - UK-adopted international accounting standards;
  - Companies Act 2006;
  - UK Employment Laws and Health and Safety Regulations;
  - UK Tax Laws;
  - General Data Protection Regulations;
  - Anti-Bribery Act; and
  - Anti-Money Laundering Regulations.

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

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Group with those laws and regulations. These procedures included, but were not limited to:
  - Enquiries of management;
  - Reviewing board minutes and RNS announcements; and
  - Reviewing the nature of legal and professional fees incurred in the year.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls and revenue recognition, whether key management judgements could include management bias in relation to the carrying value of intangible assets.

  We addressed this as outlined in the Key Audit Matters section above.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures, which included, but were not limited to testing of journals, reviewing key accounting judgement and estimates for evidence of bias (refer to the key audit matter section and going concern section) and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 auditor's report.

Use of our report

This report is made solely to the parent 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 parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adam Humphreys (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
Canary Wharf
London
E14 4HD

Date: 30 May 2023

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Consolidated Statement of Profit or Loss and Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Revenue	3	**5,351**	**4,114**
Cost of Sales		(883)	(631)
Gross Profit		**4,468**	**3,483**
Other income		-	142
Administrative expenses	4	(5,838)	(4,197)
Impairment of intangible asset	4	(264)	-
Finance costs	4	(54)	(10)
(Loss)/Profit before income tax expense		**(1,688)**	**(582)**
Income tax income/(expense)	6	445	(32)
(Loss)/Profit after income tax		**(1,243)**	**(614)**
(Loss)/Earnings per share (pence)			
Basic	7	(0.19)	(0.10)
Diluted	7	(0.19)	(0.10)
Consolidated Statement of Comprehensive Income			
(Loss)/Profit for the year		(1,243)	(614)
Items that may be classified subsequently to profit and loss			
Exchange differences on translating foreign operations		(39)	2
Total comprehensive income/(loss) for the year		**(1,282)**	**(612)**

Consolidated Statement of Financial Position

AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Assets			
Non-current assets			
Intangible assets	8	3,812	3,282
Property, plant and equipment	9	264	167
Right-of-use asset	10	703	36
Total non-current assets		**4,779**	**3,485**
Current assets			
Trade and other receivables	12	1,646	1,079
Cash and cash equivalents	13	3,618	5,736
Total current assets		**5,264**	**6,815**
Total assets		**10,043**	**10,300**
Liabilities			
Current liabilities			
Trade and other payables	14	1,460	1,160
Borrowings	15	-	5
Lease liabilities	16	170	98
Total current liabilities		**1,630**	**1,263**
Non-current liabilities			
Borrowings	15	-	-
Lease liabilities	16	607	-
Total non-current liabilities		**607**	**-**
Total liabilities		**2,237**	**1,263**
Net assets		**7,806**	**9,037**
Equity			
Issued capital	17	657	657
Share premium	18	5,590	5,590
Other reserves	18	493	481
Reverse acquisition reserve	18	(5,244)	(5,244)
Retained profits	18	6,310	7,553
Total equity		**7,806**	**9,037**

The financial statements were approved by the board of Directors on 30 May 2023 and signed on its behalf by:

BRJ Whipp
Director

JK Daniell
Director

Company Registration Number 00113845

Consolidated Statement of Changes in Equity

AT 31 DECEMBER 2022

	Issued capital £000	Share premium £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000	Total equity £000
Consolidated						
Balance at 1 January 2021	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
Loss after income tax expense for the year	-	-	-	-	(1,243)	(1,243)
Share options expense	-	-	51	-	-	51
Translation movement	-	-	(39)	-	-	(39)
Balance at 31 December 2022	**657**	**5,590**	**493**	**(5,244)**	**6,310**	**7,806**

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Loss before taxation		(1,688)	(582)
Adjustments for:			
Amortisation of intangibles		954	570
Depreciation of property, plant and equipment		149	129
Depreciation of right-of-use assets		112	56
Unrealised currency translation gains		(39)	2
Interest paid		54	10
Share option expense		51	-
Operating cash flows before movements in working capital		**(407)**	**185**
Decrease in inventories		-	6
Increase in trade and other receivables		(567)	(215)
Increase in trade and other payables		300	253
Cash (used in)/generated by operations		**(674)**	**229**
Income taxes received		445	-
Interest paid in cash		(54)	(10)
Net cash from operating activities		(283)	219
Cash flows from investing activities			
Purchases of property, plant and equipment		(246)	(61)
Purchases of other intangible assets		(218)	(90)
Development expenditure capitalised		(1,266)	(964)
Net cash used in investing activities		(1,730)	(1,115)
Cash flows from financing activities			
Net proceeds from share issues		-	5,642
Repayments of borrowings		(5)	(8)
Repayments of lease liability		(100)	(177)
Net cash used in financing activities		(105)	5,457
Net Increase/(decrease) in cash and cash equivalents		(2,118)	4,561
Cash and cash equivalents at the beginning of the financial year		5,736	1,175
Cash and cash equivalents at the end of the financial year	13	3,618	5,736

Notes to the Financial Statements

AT 31 DECEMBER 2022

Corporate information

Crimson Tide plc ("the Company") is a Public Limited Company incorporated and domiciled 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. Summary of 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.

1.1 Basis of preparation

The financial statements have been prepared in accordance with UK-Adopted International Accounting Standards and in accordance with the requirements of the Companies Act 2006.

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. The amounts in the financial statements have been rounded to the nearest thousand pounds sterling, unless otherwise stated.

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

Standards, amendments and interpretations relevant to the Group's operation and adopted by the Group as at 1 January 2022

- Amendments to IAS 16 'Property, Plant and Equipment', effective for annual reporting periods beginning on or after 1 January 2022. The amendment prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The adoption of this amendment has not had any significant impact on the Group's financial statements.

- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', effective for annual reporting periods beginning on or after 1 January 2022. The amendment specifies which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The adoption of this amendment has not had any significant impact on the Group's financial statements.

- Annual Improvements to IFRS Standards 2018-2020 Cycle introduces minor amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards', IFRS 9 'Financial Instruments', IAS 41 'Agriculture' and the illustrative examples accompanying IFRS 16 'Leases'. These amendments have not had any significant impact on the Group's financial statements.

Standards, amendments and interpretations relevant to the Group's operation that are not yet effective

The following amendments have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2023. Unless otherwise indicated, these publications are not expected to have any significant impact on the Group's financial statements:

- Amendments to IAS 1 'Presentation of Financial Statements', effective for accounting periods beginning on or after 1 January 2023. The amendments clarify that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. They also make clear that companies must disclose all material accounting policy information, whereas previously the standard referred to significant accounting policies.

- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', effective for accounting periods beginning on or after 1 January 2023. The amendment clarifies how to distinguish between changes in accounting policies and accounting estimates.

- Amendments to 'IAS 12 'Income Taxes', effective for accounting periods beginning on or after 1 January 2023. The amendment requires the recognition of deferred tax.

1.2 Going concern

The Strategic report sets out the Group's business activities and headline results, together with the financial statements and notes which detail the results for the year, net current asset position and cash flows for the year ended 31 December 2022.

The Directors have prepared cash flow forecasts for the Group for a review period of more than twelve months from the date of approval of the 2022 financial statements and consider the assumptions used therein to be reasonable and reflective of its long-term subscription contracts and contracted recurring revenue. These forecasts reflect an assessment of current and future market conditions and their impact on the Group's future cash flow performance. Alternative scenarios have also been prepared to consider sensitivities for a reduction in revenue to the end of the review period. Forecasts indicate the Group would have sufficient funds to continue as a going concern.

Should sales reduce further than the sensitised case, the Group has a number of mitigating actions such as reducing discretionary spend and delaying capital expenditure and research and development costs to protect the Group's cash position. The Directors remain confident in the long-term future prospects for the Group and therefore the Directors have a reasonable expectation that the Group has adequate resources to continue for the foreseeable future. As a result, they continue to adopt the going concern basis in preparing the financial statements.

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2022

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company as well as its subsidiaries.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Goodwill is measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed. If the consideration is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

Any contingent consideration is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration is recognised in profit or loss in accordance with IFRS 9 'Financial Instruments'. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Changes in ownership interests in subsidiaries without loss of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income are reclassified to profit or loss.

1.4 Foreign currency

Items included in the financial statements of each of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in UK Sterling, which is the currency in which the majority of the Group's transactions are denominated and the Company's functional currency is also UK Sterling.

Transactions in foreign currencies are translated into the respective functional currencies using the exchange rates prevailing at the dates of the transactions. When the Group pays or receives consideration in advance, the date of the transaction is the date when the consideration is realised.

Foreign exchange differences arising from the settlement or from the translation at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

The financial statements of the Group's subsidiaries (none of which has the currency of a hyperinflationary economy) with a different functional currency than the presentation currency are translated as follows:

- assets and liabilities are translated using the closing rate at the date of the reporting date;
- income and expenses for each statement presenting profit or loss and other comprehensive income are translated on a monthly basis at the average exchange rates of the month (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- equity items are translated at the historical rates; and
- all resulting exchange differences are recognized in other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the acquired entity. They are recognized in the functional currency of the acquired entity and translated to the presentation currency using the closing rate.

1.5 Segment Reporting

The Group prepares its financial statements in accordance with IFRS. The reporting entity operates in multiple business segments and evaluates its performance and allocates resources based on these segments. The Group has identified its operating segments based on the criteria specified in IFRS 8 - Operating Segments. The primary segments are determined based on the "management approach" to segment reporting, which aligns with how the company's Chief Operating Decision Maker (CODM) makes decisions about allocating resources and assessing performance.

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2022

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.

1.6 Financial instruments

(i) Recognition and Initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

The financial assets are classified as either:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit of loss); or
- those to be measured at amortised cost.

The classification is dependent on the business model adopted for managing the financial assets and the contractual terms of the cash flows expected to be derived from the assets. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group's financial assets comprised equity and debt instruments as described below:

Investment in subsidiaries: Investment in subsidiaries, comprising equity instruments and capital contributions, are recognised initially at cost less any provision for impairments.

Loans to subsidiaries: Loans to subsidiaries, other than capital contribution, are held for the collection of contractual cash flows and are classified as being measured at amortised costs, net of provision for impairment.

Trade and other receivables: Trade receivables represent amounts due from customers arising from the sale of services in the ordinary course of business. They are generally non-interest bearing and are recorded at their nominal value less any provision for doubtful debts. 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.

Trade receivables are recognised initially at the transaction price or at fair value if they contain significant financing components. They are subsequently measured at amortized cost using the effective interest method as the Group's objective and business model are to hold this asset to collect the contractual cash flows.

Cash and cash equivalents: Cash and cash equivalents include cash on hand and bank current accounts.

Trade and other payables: Trade and other payables are recognised when the Company has received goods or services from suppliers or has an obligation to make a payment for other transactions. They are initially measured at their fair value, which is usually the invoiced amount. Other payables include amounts owed to creditors for non-trade transactions, such as taxes, utilities, rent, and other operating expenses.

Trade and other payables are classified as current liabilities unless the Company has an unconditional right to defer settlement for at least twelve months after the reporting period.

Trade and other payables are settled in accordance with the agreed terms and conditions. Payments are typically made by bank transfer.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses the lifetime expected credit loss allowance for all trade receivables including trade receivables with significant financing components and contract assets. The Group exercises judgment in determining the expected credit loss allowance. In this judgment, the Group identifies the default rate by analysing historical experience with credit losses, considering it to represent a reasonable approximation for future expected defaults, and applies to current receivables. The Group also takes into consideration forward-looking factors, including changes in the overall economic environment or changes in regulation, and if material, reflects these in the expected credit loss allowance.

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.

Issued share capital and premium: Company's ordinary shares. 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 and included in share premium.

Share options: Options are stated at their fair value, which is estimated using a Black Scholes model where they are not issued as part of a cash transaction. Other disclosures are discussed further in note 18.

(iii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when,

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AT 31 DECEMBER 2022

the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(iv) Impairment of financial assets

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses the lifetime expected credit loss allowance for all trade receivables including trade receivables with significant financing components and contract assets. The Group exercises judgment in determining the expected credit loss allowance. In this judgment, the Group identifies the default rate by analysing historical experience with credit losses, considering it to represent a reasonable approximation for future expected defaults, and applies to current receivables. The Group also takes into consideration forward-looking factors, including changes in the overall economic environment or changes in regulation, and if material, reflects these in the expected credit loss allowance.

Other receivables primarily represent prepayments and contract costs according to IFRS 15. Contract costs expected to be recognized in profit or loss after more than 12 months, are reported as non-current assets. All other amounts are reported as current assets.

1.7 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.

1.8 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed. Goodwill on acquisitions of subsidiaries is included in intangible assets.

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying amount is allocated to the cash-generating unit (CGU) that is expected to benefit from the synergies of the business combination. The CGU to which the goodwill is allocated to represents the lowest level at which the goodwill is monitored for internal management purposes. The carrying value of the CGU is then compared to the higher of its fair value less costs of disposal and its value in use. Any impairment attributed to goodwill is recognized immediately as an expense and is not subsequently reversed.

Internally-generated software development

The Group follows a strategy of investing a substantial part of its revenue in research and development which is directed towards the enhancement of its product platforms.

The costs associated with the development of new or substantially improved products or modules are capitalized when the following criteria are met:

- technical feasibility to complete the development;
- management intent and ability to complete the product and use or sell it;
- the likelihood of success is probable;
- availability of technical and financial resources to complete the development phase;
- costs can be reliably measured; and
- probable future economic benefits can be demonstrated.

Directly attributable development costs that are capitalized include employee costs and an appropriate portion of relevant overheads. Directly attributable development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Development expenditures that are not directly attributable are recognized as an expense when incurred.

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.

Incremental contracts costs

Sales commission that is directly attributable to the acquisition of a customer contract is recognised as an intangible asset and amortised over the life of the contract, as per IFRS15 guidance. To be eligible for capitalization, the commission must be directly related to a contract, is measurable and the Company expects to recover the costs. If there is an indication that the carrying amount of the capitalised sales commission may not be recoverable, an impairment test is performed. If the carrying amount exceeds the recoverable amount, then an impairment loss is recognised in the income statement.

Amortisation policy

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	7 years straight line (previously 10 years)
Consumer Focused Development Expenditure	5 years straight line
Website Development costs	3 years straight line
Incremental contract costs	3 years straight line

It was agreed by the Audit Committee to reduce the amortisation of Enterprise Development Expenditure in the current financial year from

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AT 31 DECEMBER 2022

10 years to 7 years, in line with its estimated useful economic life. No restatement has been made as a result, in accordance with IAS 8.

1.9 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

1.10 Taxation

The tax expense for the period comprises current and deferred tax. Current income tax and deferred income tax is recognized under IAS 12 'Income Tax' and IFRIC 23 'Uncertainty over income tax treatments'.

Tax is recognized in the profit or loss, except to the extent that it relates to items recognized in Other comprehensive income or directly in equity. In this case, the tax is also recognized in Other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken or expected to be taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation or uncertainty. It establishes provisions for uncertain tax positions where appropriate on the basis of amounts expected to be paid to the tax authorities, taking into account any discussions with these authorities.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group's financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. As future profitability is uncertain, no deferred tax asset has been recognised in relation to historic losses as at the year end.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

1.11 Leases

Identification of a lease

The Group assesses whether a contract is or contains a lease based on the definition of a lease under IFRS 16. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To apply this definition the Group assesses whether the contract meets these evaluations:

- the contract contains an identified asset that is either explicitly specified or implicitly specified at the time that the asset is made available for use by the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use; and
- the Group has the right to direct the use of the identified asset throughout the period of use or the Group has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions.

The Group has elected not to separate the non-lease components of the finance lease.

Recognition and measurement of a lease including right of use assets and lease liabilities

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group uses the incremental borrowing rate which consists of the risk-free rate of currency of the lease plus the premium arising from the Group's credit risk. Lease payments included in the measurement comprise of fixed payments, variable lease payments that depend on an index or a rate and amounts to be paid under a residual value guarantee (if any).

The right-of-use asset is initially measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to restore the asset to the condition required at the end of the lease and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis over the lease term. The lease term determined at the commencement of lease represents the non-cancellable period of a lease and includes the period covered by an option to extend or option to terminate, where exercising such option is reasonably certain.

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AT 31 DECEMBER 2022

1.12 Employee share-based payments

The Group operates an equity-settled option plan that provides eligible employees with the opportunity to acquire shares of the Company's common stock. The plan aims to incentivise and retain key employees, align their interests with those of shareholders, and foster long-term commitment and performance.

The fair value of the options granted was determined using the Black-Scholes model, taking into consideration the exercise price, expected volatility of the Company's stock, expected term, risk-free interest rate, and expected dividends.

The expense associated with the equity-settled options is recognized over the vesting period, with a corresponding increase in equity.

The tax implications of the equity-settled options are accounted for in accordance with applicable tax laws and regulations. The Group recognizes any tax benefits or obligations arising from the exercise or lapse of options in the income tax expense or deferred tax assets/ liabilities in the financial statements.

The fair value of the equity-settled options granted is disclosed in the notes to the financial statements, providing transparency regarding the valuation methodology and assumptions used in the determination.

The Group will continue to monitor and evaluate the impact of the equity-settled option plan and its financial implications. Any significant changes or developments in the plan will be disclosed in subsequent financial statements.

1.13 Employee benefits

The Group operates a defined contribution plan.

Defined contribution plan is a scheme under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay the benefits relating to the employee's service in the current and prior periods. The relevant contributions are recognized as personnel costs when they are due. On realization of the liability, the Group has no further payment obligations. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.14 Revenue recognition

The Group derives revenue from the following key sources:

Recurring subscription revenue related to software licenses

Software license revenue includes software sold on a subscription basis ("SaaS") and some one-off development work.

Subscription revenue represents all fees earned from granting customers a right-to-use license of the Group's software billed on a subscription basis over the contract term.

Revenue is recognised when the performance obligation has been rendered which is when a customer purchases a right-to-use mpro5 software license. The service provide also includes ongoing maintenance for the use of software at a fixed term which may vary depending on the facts and circumstances. The revenue is recognised over time and is usually invoiced on a monthly basis. The associated consideration payable to Crimson Tide (consisting of the license fee and maintenance combined), are usually settled on a monthly basis. In instances of software license renewals with existing customers where the licensed software is consistent with that initially purchased and delivered to the customer, license revenue is recognized over time when the renewal is signed, and an enforceable contract deemed to exist.

Subscription contracts with financing components are recognised over the term of the contract and disclosed separately from Revenue from contracts with customers.

One-off revenue

This relates to one off development work to enhance or modify the customer's mpro5 core product. It is billed in advance on a per day basis however it is recognised at a point in time, when the work is delivered, as typically the projects are of a short-term nature.

Incremental costs of obtaining customer contracts

Incremental costs to obtain a contract are made up of sales commissions earned by the Group's sales teams which can be directly linked to an individual sale, relating to SaaS contracts. The asset is included within "Intangible Assets" in the statement of financial position.

The asset is amortized over the life of the contract committed for by the customer on a straight-line basis. The asset is also periodically reviewed for impairment.

Deferred revenue

Deferred revenue (referred to as "contract liabilities" as per IFRS 15) represents prepayments from customers for wholly-unsatisfied or partially-satisfied performance obligations mainly in relation to annual in advanced billing on SaaS contracts

1.15 Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by dividing the profit or loss attributable to equity holders of the Company, adjusted for the effect that would result from the conversion of dilutive ordinary shares, by the weighted average number of ordinary shares plus the weighted average of number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares.

1.16 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.

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2022

2. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates may differ from actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with Group accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates (see note 8). If future sales and size of market opportunities are significantly lower than management's estimates, the carrying value of goodwill may need to be reduced accordingly. However, unless any downturn is particularly severe and pervasive, it is unlikely to have a material impact on the carrying value of goodwill.

Internally-generated software impairment

The Group is required to make an assessment for each ongoing project in order to determine the stage a project meets the criteria outlined in the Group's accounting policies. Such an assessment may, in certain circumstances, require significant judgment. In making this judgment, the Group evaluates, amongst other factors, the stage at which technical feasibility has been achieved, management's intention to complete and use or sell the product, likelihood of success, availability of technical and financial resources to complete the development phase and management's ability to reliably measure the expenditure attributable to the project.

See note 8 for further details regarding the key assumptions made.

3. Revenue

The Group has three regional centres of operation; in the UK, Ireland and the US 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.

The analysis of each as follows:

	2022 £000	2021 £000
Revenue by business activity		
Mobility solutions and related development services	4,854	3,766
Software development & support	497	348
	5,351	4,114

Revenue can be further analysed by geographic region as follows:

	Turnover		(Loss)/Profit after tax		Non-current assets	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Geographical regions						
UK	4,891	3,735	(1,089)	(698)	4,776	3,485
Ireland	442	379	73	84	-	-
US	18	-	(227)	-	4	-
Total	5,351	4,114	(1,243)	(614)	4,780	3,485

The group generated 35% of it's revenue is generated from it's top 3 customers (2021: 45%).

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2022

4. Expenses

Profit before income tax includes the following specific expenses:

	2022 £000	2021 £000
Depreciation		
Plant and equipment	149	135
Buildings right-of-use assets	112	56
Total depreciation	**261**	**191**
Amortisation		
Development software	505	388
Development software - impairment	264	-
Incremental contract costs	185	-
Total depreciation and amortisation	**954**	**579**
Research & Development		
Development software	62	54
Finance costs		
Interest and finance charges paid/payable on lease liabilities	54	10
Finance costs expensed	54	10
Auditors remuneration for:		
Audit services	45	12
Auditing of accounts of associates of the Company	-	29
Other services supplied pursuant to such legislation	-	6

5. Employees

Staff costs (including executive Directors) were as follows:

	2022 £000	2021 £000
Wages and salaries	3,099	2,056
Non-executive Directors' fees	33	65
Compulsory social security contributions	374	253
Pension costs	244	104
	3,750	2,478

Directors emoluments included in the above:

	2022 £000	2021 £000
Wages and salaries	775	521
Non-executive Directors' fees	33	65
Compulsory social security contributions	89	83
Pension costs	107	65
	1,004	734

A detailed breakdown of the remuneration of the Directors is shown in the Directors Report.

Average monthly staff numbers in the period were as follows:

	2022 No.	2021 No.
Sales and marketing	10	8
Technical and operations	23	23
Management, finance, and administration	8	7
	41	38

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2022

6. Income tax expense

Analysis of tax credit/(charge) for the year

	2022 £000	2021 £000
Total current taxation	445	-
Total deferred taxation	-	(32)
Tax credit/(charge)	445	(32)

	2022 £000	2021 £000
Numerical reconciliation of income tax expense and tax at the statutory rate		
(Loss)/Profit before income tax expense	(1,688)	(582)
Tax at the statutory tax rate of 20%/19%	(338)	(111)
Effects of:		
Expenses not deductible for taxation purposes	201	-
Effect of deferred tax assets not recognised	137	111
Release of deferred tax asset	-	(32)
R&D tax rebate	445	-
Income tax rebate/(expense)	445	(32)

The Group has an unrecognised deferred tax asset relating to carried forward taxable losses of approximately £287,000 (2021: £150,000). A deferred tax asset has not been recognised in relation to these losses as the Group is expecting to be profitable in coming years, although the timing of this is uncertain.

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:

	2022 £	2021 £
Basic earnings per share		
Reported (loss)/profit (£000)	(1,243)	(614)
Reported basic earnings per share (pence)	(0.19)	(0.10)
Reported diluted earnings per share (pence)	(0.19)	(0.10)

	2022 No.	2021 No.
Weighted average number of ordinary shares		
Opening balance	657,486,234	457,486,234
Effect of share placing during the year	-	138,630,137
Weighted average number of ordinary shares for basic EPS	657,486,234	596,116,371
Effect of options outstanding	-	-
Weighted average number of ordinary shares for diluted EPS	657,486,234	596,116,371

At 31 December 2022 there were 24,300,000 (2021: 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

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8. Intangible assets

Group	Enterprise Development Expenditure £000	Consumer Focused Development Expenditure £000	Website Development Costs £000	Incremental Contract Costs Restated £000	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
At 1 January 2022	2,937	479	18	742	799	4,975
Additions	721	545	73	145	-	1,484
At 31 December 2022	3,658	1,024	91	887	799	6,459
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)
At 1 January 2022	(1,197)	-	-	(496)	-	(1,693)
Charge for year	(432)	(47)	(26)	(185)	-	(690)
Impairment loss	(264)					(264)
At 31 December 2022	(1,893)	(47)	(26)	(681)	-	(2,647)
Carrying amount at 31 December 2021	1,740	479	18	246	799	3,282
Carrying amount at 31 December 2022	1,765	977	65	206	799	3,812

	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

Included within the intangible assets additions figure of £1.48m is £0.64m of internally generated intangibles (2021: £0.48m).

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on the most recent financial budget and plan approved by the management covering a three-year period and then inflated over a perpetual period using the estimated growth rate assigned to the countries where the cash-generating unit operates.

As Crimson Tide is entirely equity funded, we have used the CAPM model to determine a suitable Cost of Equity of 5.7% and a growth rate of 1.2% which is equal to the five year average of the 10 year Govt bond yield. Budgeted cash flow projections are determined based on the expectation of future client signings of the Group's current pipeline. Budgeted gross margin is in line with our history and takes into consideration market developments and efficiency leverage. The Group is well positioned for growth in future years. Management believes that any reasonable change in any of the key assumptions described above on which the recoverable amount is based would not cause the reported carrying amount to exceed the recoverable amount of the cash-generating unit. The discount rate represents the Group's Weighted Average Cost of Capital adjusted for tax effect to determine the pre-tax rate as required by IFRS the Group has significant recurring cashflows with subscription-based income representing nearly 90% of the total, an average customer length of three years and low churn. The cost base relates primarily to employee costs and the Group has the ability to flex appropriately to manage cash flows. Management's impairment model shows that cashflows would have to reduce by more than 75% from current levels to warrant an impairment.

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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 2021	171	1,203	63	1,437
Additions	60	-	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
Cost				
At 1 January 2022	178	610	68	856
Additions	86	-	160	246
Disposals/Scrapped	-	-	-	-
At 31 December 2022	264	610	228	1,102
Depreciation				
At 1 January 2022	(103)	(525)	(61)	(689)
Depreciation charge	(32)	(85)	(32)	(149)
Elimination on disposal	-	-	-	-
At 31 December 2022	(135)	(610)	(93)	(838)
Carrying amount at 31 December 2022	129	-	135	264

10. Right-of-use assets

Group	2022 £000	2021 £000
Opening Balance	36	92
Land and buildings - right-of-use addition	835	-
Less: Accumulated depreciation	(168)	(56)
Closing Balance	703	36

The Group leases land and buildings for its offices, the current agreement for which began on 18th February 2022 and will cease on 24th December 2031. It is likely that the break clause in December 2026 will be exercised, therefore the asset value has been calculated on this basis. As permitted under IFRS16, the Group has chosen to combine the service charge and lease rental components. The asset attracts a depreciation charge of £0.04m per quarter. See note 16 regarding the corresponding lease liability.

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2022

11. Deferred tax

Group	2022 £000	2021 £000
Movements:		
Opening balance	-	32
Credited to profit or loss	-	(32)
Closing balance	-	-

12. Trade and other receivables

Group	2022 £000	2021 £000
Trade receivables	1,209	888
Other receivables	-	-
Prepayments and accrued income	437	191
	1,646	1,079

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 2022, trade receivables of £222,881 (2021: £81,203) were impaired and fully provided for. The ageing of trade receivables not impaired are as follows:

	2022 £000	2021 £000
Age analysis of trade receivables		
Age from invoice date		
< 30 days	842	555
30 – 60 days	90	180
60 – 90 days	31	121
> 90 days	469	113
	1,432	969

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

	2022 £000	2021 £000
Opening balance	81	81
Receivables collected in year previously provided for	-	(12)
Receivables written off during the year as uncollectable	(51)	-
Provision for receivables impairment for the year	193	12
	223	81

Company	2022 £000	2021 £000
Amounts recoverable from Group undertakings	3,734	1,800
Other receivables	-	4
Prepayments and accrued income	4	1
	3,738	1,805

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2022

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.

14. Trade and other payables

Group	2022 £000	2021 £000
Trade payables	542	428
PAYE and social security	97	83
VAT	121	39
Accruals and deferred income	700	610
	1,460	1,160

Company	2022 £000	2021 £000
Trade payables	1	5
Accruals	27	36
	28	41

15. Borrowings

Group	2022 £000	2021 £000
Secured bank loans – current	-	5
Secured bank loans – non-current	-	-
Secured bank loans	-	5

This relates to loans secured to acquire equipment which was entirely repaid in the year. The Company no longer provides leased equipment as part of a contract.

16. Lease liabilities

Group	2022 £000	2021 £000
Maturity analysis:		
Year 1	170	98
Years 2 – 5	607	-
After five years	-	-
Lease liability	777	98

The above relates entirely to the land and buildings lease. The Company utilises an interest rate of 6.5%, defined in the lease as 3% over the prevailing Barclays Bank base rate. Interest is calculated on a quarterly basis, with the annual charge for 2022 amounting to £0.05m. Total cash outflow for the lease to date is £0.1m, being the quarterly rent and service charge payments. See note 10 regarding the corresponding right of use asset.

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2022

17. Share capital

Authorised	2022 Shares	2021 Shares	2022 £'000	2021 £'000
Ordinary shares of 0.1p each	711,950,842	711,950,842	712	712

Issued, called up	2022 Shares	2021 Shares	2022 £'000	2021 £'000
Ordinary shares - fully paid	657,486,234	657,486,234	657	657

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.

At 31 December 2022 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 2022
Issued under EMI scheme					
22 December 2020	22 December 2030	16,700,000	-	-	16,700,000
2 July 2022	2 July 2032	7,600,000	-	-	7,600,000

Expense charged to the income statement

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

	2022 £'000	2021 £'000
Equity-settled expense	51	11

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 £0.008 (2020 issue: £0.007).

Share options

The fair value of the options was estimated on the date of grant being issued in 2020 and in 2022. Assumptions are based on the following assumptions:

Weighted average assumption	2022	2021
Share price	£0.023	£0.034
Exercise price	£0.0221	£0.0335
Expected volatility	30%	30%
Expected life	3 and 5 years	3 years
Risk-free interest rate	0.296%	0.296%

The expected volatility is measured as the standard deviation of continuously compounded share returns based on statistical analysis. 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.

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2022

18. Reserves

Group	Share premium £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000
Balance as at 1 January 2021	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
Loss after income tax expense for the year	-	-	-	(1,243)
Share options expense	-	51	-	-
Translation movement	-	(39)	-	-
Balance as at 31 December 2022	5,590	493	(5,244)	6,310

Share Premium – represents the amount received by the Company in excess of the nominal value of its shares. It arises when shares are issued at a price higher than their nominal or face value. The share premium reserve is a component of the Company's shareholders' equity and represents the additional value contributed by shareholders mostly due to the April 2021 equity fund raise.

Other reserves – relates to foreign currency translation reserves representing the cumulative gains or losses arising from the translation of financial statements of foreign subsidiaries or branches into the presentation currency of the reporting entity. These reserves reflect the impact of changes in exchange rates on the financial statements and are recognized in other comprehensive income (OCI).

Reverse acquisition reserve – represents transaction relating to the reversal into an AIM listed vehicle in 2006.

Retained earnings – represent the accumulated profits or losses of the Company that have not been distributed as dividends to shareholders. They reflect the net earnings generated by the Company since its inception, adjusted for dividends paid and any transfers to other reserves.

Company	Share premium £000	Other reserves £000	Retained earnings £000
Balance as at 1 January 2021	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
Loss after income tax expense for the year	-	-	(268)
Share option expense	-	51	-
	5,590	399	2,902

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2022

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 2022. 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	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	2022 £000	2021 £000
Shares in subsidiary undertakings - at cost	5,297	5,297
Less: Impairment	(1,929)	(1,929)
	3,368	3,368

(*) Located at Brockbourne House, 77 Mount Ephraim, Tunbridge Wells TN4 8BS, UK

(**) Located at 3013 Lake Drive Citywest Campus Dublin 24

(***) Located at 16 W. Martin Street, Suite 1003, Raleigh, NC 27601

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	2022 £000	2021 £000
Financial assets		
Cash at bank and in hand	3,618	5,736
Financial liabilities		
Secured loans	-	5
Finance leases	777	98

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.

Notes to the Financial Statements CONTINUED

AT 31 DECEMBER 2022

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.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses the lifetime expected credit loss allowance for all trade receivables including trade receivables with significant financing components and contract assets. The Group exercises judgment in determining the expected credit loss allowance. In this judgment, the Group identifies the default rate by analysing historical experience with credit losses, considering it to represent a reasonable approximation for future expected defaults, and applies to current receivables. The Group also takes into consideration forward-looking factors, including changes in the overall economic environment or changes in regulation, and if material, reflects these in the expected credit loss allowance. The provision for doubtful debts is £0.22m (2021: £0.08m)

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.

The Group had £3.62m of cash at year end (2021: £5.74m)

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 shares and share options and remuneration are shown in the Directors Report.

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

Company Statement of Financial Position

AT 31 DECEMBER 2022

	Note	2022 £000	2021 £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	3,738	1,805
Cash and cash equivalents	13	2,470	4,633
Total current assets		**6,208**	**6,438**
Total assets		**9,576**	**9,806**
Liabilities			
Current liabilities			
Trade and other payables	14	28	41
Total current liabilities		**28**	**41**
Total liabilities		**28**	**41**
Net assets		**9,548**	**9,765**
Equity			
Issued capital	17	657	657
Share premium	18	5,590	5,590
Other reserves	18	399	348
Retained profits	18	2,902	3,170
Total equity		**9,548**	**9,765**

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 £268,255 (2021 loss: £214,259).

The financial statements were approved by the board of Directors on 30 May 2023 and signed on its behalf by:

BRJ Whipp
Director

JK Daniell
Director

Company Registration Number 00113845

Company Statement of Changes in Equity

AT 31 DECEMBER 2022

	Issued capital £000	Share premium £000	Reserves £000	Retained earnings £000	Total equity £000
Company					
Balance at 1 January 2021	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
Loss after income tax expense for the year	-	-	-	(268)	(268)
Share options expense	-	-	51	-	51
Balance at 31 December 2022	**657**	**5,590**	**399**	**2,902**	**9,548**

Company Statement of Cash Flows

AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Loss before taxation		(268)	(214)
Adjustments for:			
Share option expense		51	11
(Increase)/decrease in trade and other receivables		(1,933)	(386)
(Decrease)/increase in trade and other payables		(13)	(434)
Net cash from operating activities		(2,163)	(1,023)
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		(2,163)	4,619
Cash and cash equivalents at the beginning of the financial year		4,633	14
Cash and cash equivalents at the end of the financial year	13	2,470	4,633

Officers and Professional Advisors

Board of Directors	BRJ Whipp (Chairman) JK Daniell SK Goodwin LA Jeffrey PM Hurter TGF England AG Knowles
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	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD United Kingdom
Nominated Adviser and Broker	finnCap 1 Bartholomew Cl London EC1A 7BL
Solicitors	DMH Stallard LLP 135 High Street Crawley RH10 1DQ
Website	www.crimsontide.co.uk

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