crimson tide plc

annual report & accounts 2008

2008

Crimson Tide is a leading service provider of mobile data solutions and software for business. We provide an end-to-end service that allows organisations to mobilise their staff who work away from the office.

Supplying a pda or smartphone, Crimson Tide mobilises crm, field sales & service systems and also supplies bespoke mobile forms. Information is synchronised wirelessly in real-time to hosted or integrated databases. All hardware, software and services are provided on a low monthly subscription and we can manage devices remotely for rapid support and implementation. Our solutions offer almost instant return on investment, providing real time information from the field, whether it is from orders, customer service or field audit and services. Our mobile data solutions save paperwork, time and money. Crimson Tide's mobile applications benefit businesses where information and reporting is time critical. We serve organisations from small to medium size businesses right through to blue chip corporate companies and the NHS. Through our customers, Crimson Tide's solutions are used in many of the highest profile retail outlets, banks and financial institutions.

Crimson Tide also manages mobile telecommunications connections for a wide range of businesses. This service, along with our our more traditional software business in crm and call management, positions us as a trusted partner of our customers. The company is quoted on the AiM market of the London Stock Exchange and is based in the UK and Ireland.

2008 Highlights

- * Turnover increased to £1.78m in the year to 31 December 2008 from £1.67m in the previous year, with a particularly good performance in the UK

- * Loss before interest, tax, depreciation and amortisation of £198,000 for the year to 31 December 2008, in line with our expectations and compared to £350,000 in 2008

- * Conservative management in economic environment ensures sustainability and platform for growth

- * Substantial reduction in losses forecast for 2009, with profitability at EBITDA level scheduled on a month by month basis during the year

- * Exciting new mobile data products under development

Contents

A leading supermarket chain reports facilities management issues in its stores to our customer. Our customer schedules an engineer to visit the store and the visit details are “pushed” to a smartphone. We have already saved the engineer a visit to the office. When he arrives at the store, the engineer uses the camera on the smartphone to record the state of the issue when he arrives. He then completes the job, records his findings and takes a second photograph to prove that the situation is rectified. All of the information is transmitted wirelessly back to a website hosted by Crimson Tide where our customer can ensure that jobs are done correctly and engineers’ time is maximised. The live website is displayed on a 42” plasma screen in the client’s office.

One of the world’s leading suppliers of financial information, uses a Crimson Tide system to “audit” the state of its offices in Central London. The auditor records a range of information on the smartphone which is transmitted to our website in real time. As in many of our cleaning and facilities management systems, the results are graded against a standard. A large proportion of our customers refer to the grading system and measure it against Service Level Agreements. Information from our system is automatically emailed to supervisory level staff to ensure that the performance ratings are being maintained.

One of our mobile applications enables nurses’ homecare time to be optimized. Our scheduling application ensures that nurses are used most effectively and a good example is in the treatment and monitoring of premature babies. A nurse is notified of a job on her handheld device and receives the relevant details of the baby whose home he/she needs to visit. The smartphone then leads the nurse through a system that was previously paper based to ensure that the baby’s vital signs are recorded and a specific drug can be administered. The smartphone application is truly “smart” in that it will warn the nurse if blood pressure or temperature, for example, is out of range or out of the ordinary. The nurse can then administer drugs and the dose is recorded on the smartphone. Follow up visits and notes for the consultant can also be created on the smartphone.

Crimson Tide believes it can make businesses more efficient with its wide range of handheld solutions and can demonstrate immediate Return on Investment.

Chairman's Statement

I am pleased to report the results for Crimson Tide plc for the year ended 31 December 2008, the second full year since our admission to AIM. Turnover and the EBITDA loss were in line with our expectations, which was especially pleasing given the difficult economic environment, and are a reflection of the prudent stewardship of the Company. Even more pleasing is the Board's confidence that losses will be substantially reduced in the first half of 2009 and that we will reach profitability on a month by month basis at the EBITDA level during the course of this year. The business continues to deliver results in line with management's expectations.

Since the summer of 2008, where we foresaw some of the economic issues affecting businesses, we have been careful to ensure that the Company was not over-geared in terms of debt or central overhead. Our focus in this period has been on the continued support of our software and consultancy business which has enabled the Company to weather the current downturn and maintain its financial improvement. Whilst management feels that the Company could have achieved more from its subscription based mobile data solutions if we had adopted a riskier profile, we feel that these results in such demanding conditions vindicate the Board's strategy.

Our business in Ireland has not been immune to the severe economic downturn in the Irish economy. An element of our business provides recurring revenue but the software market has proved difficult. Again, we have adjusted overhead accordingly and taken a substantial amount of risk out of the business. Our team in Ireland continue to be highly committed and have produced some fine work for our mobile data solutions sold in the UK.

We have recently agreed a significant partnership with Yes Telecom, a Vodafone company, where our solutions will be sold by Yes Telecom's channel dealers, a base of over 500 organisations across the UK. This will extend our sales reach and breadth of offerings and we are confident that we will be able to announce another significant partnership in the near future.

As we enter the second half of 2009, we will be introducing several exciting initiatives to enhance our services and results. We are planning to introduce our own communications architecture, with assistance from Microsoft, which will enable us to deliver applications more rapidly and eliminate a certain element of middleware costs from our gross margin. Furthermore, we have in development a number of solutions in the healthcare market which, we believe, will give us opportunities to commoditise part of our portfolio for a wide range of organisations in the sector.

In summary, once again we have delivered results that we expected. Economic times have been challenging and look set to remain so. Crimson Tide's management has acted to ensure stability and reduce the requirement for cash, and has plotted a course towards early profitability. We have also established a platform where growth will flow faster to the bottom line due to an improvement in margin on our mobile data solutions. We will continue to manage the business carefully, taking advantage of the wide range of opportunities available to us.

Shareholders with warrants issued in 2006 should be aware that the expiry date for these warrants is August, 20, 2009 ("Expiry Date"). These warrants give the holder the option to subscribe for Ordinary Shares in the Company at 1.5p per share, on or prior to the Expiry Date, otherwise they will lapse. Holders who wish to exercise their rights should write to the registered office of the Company, on or prior to the Expiry Date, and remit the subscription monies at 1.5p per share subscribed for either in cash or by bank transfer. Proceeds from the issue of new shares will be used in the ordinary course of business for working capital purposes.

Our staff have been loyal, committed and hard-working. I thank them and our partners for their efforts which we believe have positioned us well for the future in our exciting market.

Barrie Whipp
Executive Chairman

5 June 2009

Operating and Financial Review

The Crimson Tide Group has made significant progress over the course of 2008, the second full year the business has operated as an AIM listed company.

Operating review

We have continued with our strategy of focusing on selected vertical markets for our mobile data solutions and as our expertise has grown in each, we have effectively generated reusable software which enhances our services and makes delivery more efficient. Since March, 2008 we have readily available solutions that have increasingly been adopted by facilities management companies and whilst many of these are not household names, the retail and office locations they look after are some of the most well known in the country. Over the course of the year we have also grown the customer base that uses our bar coding expertise for warehouse management and in the health sector, customers have increasingly adopted our products to reduce costs and improve patient care. Common to all our solutions is the elimination of paper-based systems with electronic data recording, management information available in real time and the ability to react immediately based on the information relayed between the mobile worker and their office-based colleagues. Our customers' productivity is significantly increased, errors are eliminated and efficiency savings flow through to improve our customers' results. The fact that these benefits are available on a subscription basis means that no capital expenditure is required and the positive cash and profit returns are realised immediately.

Subscriber growth continued throughout 2008 but as significant for us was that customers extended their initial agreements for longer terms in recognition of enhancements made to their original solutions. Also, for the first time since we commenced this initiative, original subscription agreements ended and were renewed for second terms. Both actions support our belief that once we have secured subscription contracts, the nature of the solutions and our willingness to continually improve our offerings, means that we become an integral part of our customers' business processes and our contracted revenue book should continue to grow.

Over the latter part of the year, as the economic outlook rapidly deteriorated, we increased our range of mobile communications related offerings and reinvigorated the software development part of our business. By boosting these smaller parts of our business and increasing their profile initially internally and then with our customer base, we have spread risk and found that we can readily supply customers with multiple products.

We will continue in this vein whilst the economic outlook remains uncertain and have scheduled over the course of 2009, several key initiatives that we expect to benefit sales and margins.

Financial review

Turnover increased in total in 2008 to £1.78m from £1.67m in 2007 but this hides a 32% improvement in the UK offset by a 25% decline in turnover in Ireland. The explanation of the reduction in sales in Ireland is in part a result of our strategic move away from some of the low margin areas, previously serviced by the business before we acquired the operation at the end of 2006, in favour of subscription based deals that secured longer term contracted revenues. The serious decline in the Irish economy is also a significant factor. As reported last year, we had already taken steps to reduce overheads in Ireland; actions in retrospect that were extremely timely. Good management has played a key part in ensuring that costs in Ireland have continued to be reduced. The team in Ireland has been totally supportive during this process and increasingly their skills have been utilised to secure and deliver business in the UK.

Cost reduction programmes have also helped reduce UK overheads. While there is no doubt that we would like to be growing faster through greater marketing spend with additional human resources to sell more, develop more and deliver more, management have the experience to know that a conservative approach at this stage of the economic cycle will secure our position and set us up to target faster growth at the appropriate time.

As expected, the Group has used cash at a declining rate over the course of the year. It is worth repeating that new subscriber business is profitable from day one but does require us to make an upfront investment in hand-held devices and development/implementation time. Early in the year, the Board took the decision to reduce the size of a planned equity placing and seek a borrowing facility, more suited to the nature of the finance required. The equity placing netted additional funding of £272,000 in April 2008, then in August 2008 a loan agreement was concluded that secured a new facility of up to £300,000 of which £245,000 had been utilised at the year end.

Earnings before interest, tax, depreciation and amortisation ('EBITDA') approximate to operating cashflow before device funding. EBITDA in the first half of 2008 totalled a loss of £130,000; this reduced by almost 50% to £68,000 in the second half, a trend management expect to continue so that month on month profitability is achieved over the course of 2009.

In conclusion, the Board are content with the Group's achievements in 2008 in difficult trading conditions over the latter months.

Future prospects

While acknowledging that economic conditions will remain challenging throughout 2009 and into 2010, we are confident that our range of solutions will continue to be attractive to businesses seeking to improve their operations, reduce costs and achieve a quick return on their investment. Various new initiatives with key industry players together with our growing product base, will ensure we stay at the forefront of our industry. In addition, the expertise and dedication of our employees stands us in good stead for the years ahead.

Stephen Goodwin
Chief Executive

5 June 2009

Board of Directors

Barrie Reginald John Whipp (48)
Executive Chairman
Barrie founded Crimson Tide in 1996 and he formulated the ideas behind the Group's mobile data solutions in 2003. He is responsible for setting the Group's vision and strategy as well as setting goals and targets for the Board. After an early career in finance and business administration with Dowell Schlumberger S.A. and UDS Group plc, Barrie joined Tiphook plc where he founded the financial services arm in 1986. He became Group Managing Director of IAF Group plc, which was admitted to the Official List in April 1994. In 1996 Barrie set up Crimson Tide, where he was responsible for the day-to-day management until 2004, when he recruited the current management team. He has served as a non-executive Director of Wills Group plc as well as a number of private companies.

Stephen Keith Goodwin (50)
Chief Executive Officer
Steve was appointed as Crimson Tide's Chief Executive in April 2004 and has responsibility for delivering the strategy, day-to-day management of the Group and financial
management and control. Steve is a Certified Accountant with 19 years' experience at Board level and with 15 years' experience as a CEO. After training as an accountant working for Shell International, he joined Tiphook plc in 1988 where he became Group Financial Controller and later Finance Director of the trailer division. In 1994 Steve was appointed Managing Director of the rail division and in 1996 led the management team in a £30m management buyout. The business was sold two years later to GE Capital where he stayed on as Managing Director of GE's European rail business and gained further experience in negotiating and integrating acquisitions.

Jeremy Walter Frederick Roth (47)
Sales Director
Jeremy has over 15 years' experience in mobile telecommunications. His early career was with Connexions, a mobile telecoms dealer based in the South East in the early days of the introduction of personal mobile phones. He
joined Astec Communications in 1989 which was subsequently taken over by Vodafone. Jeremy worked within Vodafone Corporate, dealing with mobile communications for some of its largest corporate accounts, and later, as
a senior sales executive, was given responsibility for dealing with the NHS. During this time he built relationships with a number of NHS trusts, including ambulance services and the Department of Health. He developed these accounts from being purely users of voice communications to mobile data, introducing a number of Blackberry-based and other mobile data solutions. He joined Crimson Tide in 2004 to head the Company's sales effort.

Rowley Stuart Ager (63)
Non-Executive Director
Rowley is a qualified accountant who has spent all of his working life in industry and commerce. In 1972 he joined BAT Industries Group where he held a number of finance roles. In 1986, Rowley joined Tesco PLC becoming Company Secretary from 1990 to 2004 and was a member of the Tesco PLC board from 1992 to 2004. Rowley was Chairman of Tesco Personal Finance, a joint venture with RBS Group plc, from its formation in 1995 until he retired in 2004. He is currently chairman of Tesco Pension Trustees Ltd. Rowley is Chairman of the Audit Committee.

Graham Basil Ashley (62)
Non-Executive Director
Graham has over 40 years' experience in stockbroking and corporate finance and was a founding director and shareholder of stockbrokers Greig Middleton Holdings Limited.
After the merger of Greig Middleton with Gerrard Limited, he became a director of Gerrard Limited and, following its acquisition by Old Mutual Securities Limited ("OMS"), a Corporate Finance director of OMS (which subsequently became Arbuthnot Securities Limited). Graham has advised on acquisitions and disposals and fund-raisings across a wide range of sectors and industries. Graham became a Non-Executive Director of Crimson Tide Limited in April 2004. Graham was appointed as a Director of A. Cohen & Co. Plc on 20 October 2004 and was Chairman from February 2005 until the reverse acquisition of Crimson Tide Limited in August 2006. Graham is Chairman of the Remuneration Committee.

Directors' Report

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2008.

Principal Activities and Review of the Business

The principal activity of the Group during the period was the provision of mobile data solutions, software and related activities. The principal activity of the Company is to provide management and support to other Group companies. A review of the year and future developments are given in the Operating and Financial Review.

Results and Dividends

The trading results for the year ended and the Group's financial position at the end of the financial period are shown in the attached financial statements. The statements have been prepared under International Financial Reporting Standards ("IFRS").

Turnover for the year ended to 31 December 2008 was £1,776,373 (year to 31 December 2007: £1,674,357) and the total loss for the period before taxation was £279,628 (year to 31 December 2007: £407,495). The Directors do not recommend payment of a final dividend.

Directors

The following Directors have held office during the year:

Name	Position
B R J Whipp	Executive Chairman
S K Goodwin	Chief Executive
J W F Roth	Sales Director
G B Ashley	Non-Executive Director
R S Ager	Non-Executive Director

Directors' Interests in Shares

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

	Ordinary shares of £0.01 each	
Director	**31 December 2008**	**31 December 2007**
B R J Whipp	115,610,132	115,610,132
S K Goodwin*	25,611,484	25,611,484
J W F Roth	30,131,159	30,131,159
G B Ashley	17,000,000	17,000,000
R S Ager	6,500,000	6,500,000

* Mr Goodwin also had an interest as a trustee in 1,650,000 Ordinary Shares of £0.01 each as at 31 December 2008 (1,650,000 ordinary shares of £0.01 each as at 31 December 2007).

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

	Number of Share options	
Director	**31 December 2008**	**31 December 2007**
S K Goodwin**	5,000,000	5,000,000
J W F Roth	2,000,000	2,000,000

**Mr. Goodwin also had an interest as a trustee in an option to purchase up to 12,307,692 Ordinary Shares of £0.01 each as at 31 December 2008, issued in association with a borrowing facility secured by the Group on 5 August 2008.

Directors' Interests in Warrants

The interests of Directors in Warrants were as follows:

	Number of Warrants	
	As at 31 December	
	2008	2007
G B Ashley	1,309,718	1,309,718
R S Ager	1,113,750	1,113,750

Directors remuneration

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

	Fees and salaries £	Benefits £	Total 2008 £	Total 2007 £
Non-Executive				
R S Ager	15,375	-	15,375	18,000
G B Ashley	15,375	-	15,375	18,000
Executive				
B R J Whipp	84,000	15,060	99,906	98,820
S K Goodwin	72,000	13,677	85,677	85,386
J W F Roth	72,000	12,586	84,586	84,882
Total	258,750	41,323	300,073	305,088

Significant shareholdings

As at 31 May 2009 the shareholders' register showed that the following shareholders had interests in 3% or more of the share capital of the Company:

Shareholder	Ordinary shares currently held as at 31st May, 2009	Percentage of issued share capital
B R J Whipp	115,610,132	36.24%
J W F Roth	30,131,159	9.45%
S K Goodwin	25,611,484	8.03%
W H Ireland Limited	19,533,183	6.12%
G B Ashley	17,000,000	5.32%
D L Massie	13,000,000	4.08%
S J M Morris	10,957,817	3.44%

Financial Risk Management

The Company's exposure to financial risk is set out in note 17 to the accounts. Policy on Payments to Suppliers. It is the policy of the Company in respect of all its suppliers, where reasonably practicable, to settle the terms of payment with those suppliers when agreeing the terms of each transaction, to ensure that those suppliers are made aware of the terms of payment, and to abide by those terms.

Health, Safety and the Environment

Crimson Tide operates responsibly with regard to its shareholders, the environment and the wider community. The Group and Company are committed to the well-being of all employees and ensure that their health, safety and general welfare is paramount at all times. We also maintain open and fair relationships with all clients and suppliers while ensuring that all transactions are operated on an arm's length, commercial basis.

Political and Charitable Contributions

No political or significant charitable donations were made during the period.

Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;
b. make judgements and estimates that are reasonable and prudent;
c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985 and Article 4 of the IAS regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Disclosure of information to the auditors

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

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the Company's Auditors are unaware; and
- each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information (as defined) and to establish that the Company's Auditors are aware of that information.

Independent Auditors

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

Signed by order of the Board

Stephen Goodwin
Company Secretary
5 June 2009

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

Shareholder communication

The Group seeks to ensure that all shareholders are kept informed about the Group and its activities. A comprehensive annual report and accounts is sent to shareholders and an interim report is published.

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

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

Board of Directors and Board Committees

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

Audit Committee

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

Remuneration Committee

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

Internal Control

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

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

Employment Policy
The Board places considerable value on the involvement of its employees and has effective arrangements for communicating the Group's results and significant business issues to them. The Directors recognise that continued and sustained improvement of the Group depends on its ability to attract, motivate and retain employees of the highest calibre. Furthermore, the Directors believe that the Group's ability to sustain the competitive advantage in the long term depends on ensuring that all employees contribute to the maximum of their potential. The Group is committed to improving the performance of all its employees through appropriate development and training. Share ownership is at the heart of the Group's remuneration philosophy and the Directors believe that the key to the Group's future success lies in a motivated workforce holding a stake in the Group. For this reason the Board implemented an Enterprise Management Incentive share option scheme in February 2007 which is available to all Group employees subject to meeting certain qualifying rules. More share options may be issued to key staff during 2009. 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 plc operates responsibly with regard to its shareholders, employees, other stakeholders, the environment and the wider community. The Group is committed to the wellbeing of all employees and ensures that their

health, safety and general welfare is paramount at all times. We also maintain open and fair relationships with all clients and suppliers while ensuring that all transactions are operated on an arm's length, commercial basis. As part of this culture, the Group ensures that all suppliers are paid in a timely fashion, unless there are sound commercial reasons why payment should not be made.

Report of the remuneration committee

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

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

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

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

At the last Remuneration Committee meeting the Committee took note that the Directors remain focused on achieving breakeven at the operating level. It was agreed that the Directors' remuneration would not be increased at the current time.

On behalf of the Board

Graham Ashley
Chairman — Remuneration Committee
5 June 2009

Independent Auditors report to the Members of Crimson Tide Plc

We have audited the Group and Parent Company (the "Company") financial statements (the "financial statements") of Crimson Tide plc for the year ended 31 December 2008 which comprise the Group Income Statement, the Group and Parent Company Balance Sheets, the Group and Parent Company Statements of Cash Flows, the Group and Parent Company Statements of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether, in addition, the Group financial statements have been properly prepared in accordance with Article 4 of the IAS regulation.

We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Operating and Financial Review that is cross-referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the 2008 Highlights, Crimson Tide - Real World Mobile Applications, Chairman's Statement, the Operating and Financial Review, the Board of Directors, the Directors' Report, the Corporate Governance Report and the Report of the Remuneration Committee. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union, of the state of the Group's affairs as at 31 December 2008 and of the Group's loss for the year then ended;

- the Parent Company financial statements give a true and fair view, in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 1985, of the state of the Parent Company's affairs as at 31 December 2008;

- the financial statements have been properly prepared in accordance with the Companies Act 1985 and, as regards the Group financial statements, Article 4 of the IAS Regulation; and

- the information contained in the Directors' Report is consistent with the financial statements.

Shipleys LLP
Chartered Accountants
Registered Auditors
5 June 2009
10 Orange Street
London
WC2H 7DQ

Consolidated Income Statement
For the year ended 31 December 2008

	Notes	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Revenue		**1,776**	1,674
Cost of Sales		**(817)**	(745)
Gross Profit		**959**	929
Total operating expenses		**(1,209)**	(1,328)
Loss from operations		**(250)**	(399)
Interest income	3	**4**	10
Interest payable and similar charges	3	**(33)**	(19)
Loss before taxation		**(279)**	(408)
Tax on loss on ordinary activities	5	**-**	-
Loss for the period attributable to equity holders of parent		**(279)**	(408)
Loss per share			
Basic and diluted loss per ordinary share	6	**(0.09p)**	(0.14p)

Consolidated Balance Sheet
at 31 December 2008

	Notes	As at 31 December 2008 £	2007 £
Assets			
Intangible assets	7	**868**	889
Equipment, fixtures & fittings	8	**24**	29
Total non-current assets		**892**	918
Inventories		**39**	25
Trade and other receivables	10	**597**	383
Cash and cash equivalents	11	**89**	175
Total current assets		**725**	583
Total Assets		**1,617**	1,501
Equity and liabilities			
Share capital	12	**6,070**	5,790
Capital redemption reserve	13	**49**	49
Share premium	13	**1,058**	1,006
Other Reserves	13	**430**	507
Reverse acquisition reserve	13	**(5,244)**	(5,244)
Retained earnings	13	**(1,850)**	(1,571)
Total equity		**513**	537
Creditors			
Amounts falling due within one year	14	**791**	862
Amounts falling after more than one year	15	**313**	102
Total liabilities		**1,104**	964
Total equity and liabilities		**1,617**	1,501

The financial statements were approved by the board of directors on 5 June 2009 and signed on its behalf by:

B R J Whipp
Director

S K Goodwin
Director

Consolidated Statement of Changes in Equity at 31 December 2008

Group	Share Capital £000	Capital redemption reserve £000	Share Premium £000	Other Reserves £000	Reverse acquisition reserve £000	Retained Earnings £000	Total £000
Balance as at 1 January 2007	5,679	49	916	457	(5,244)	(1,163)	694
Loss for the year	-	-	-	-		(408)	(408)
Proceeds from new shares issued during the year	110	-	96	-	-	-	206
Proceeds from warrants issued during the year	1	-	-	-	-	-	1
Shares to be issued for acquisiton of IDL	-	-	-	60	-	-	60
Additional costs for acquisition of IDL	-		(6)	-		-	(6)
Translation movement	-	-	-	(10)	-	-	(10)
Balance as at 31 December 2007	5,790	49	1,006	507	(5,244)	(1,571)	537
Loss for the year	-	-	-	-	-	(279)	(279)
Proceeds from new shares issued	-	-	-	-	-	-	-
during the year	248	-	24	-	-	-	272
Shares issued for acquisition of IDL	32	-	28	(60)	-	-	-
Equity reserve	-	-	-	11	-	-	11
Translation movement	-	-	-	(28)	-	-	(28)
Balance as at 31 December 2008	6,070	49	1,058	430	(5,244)	(1,850)	513

Note: “IDL” means Intelligent Data Limited, acquired by Crimson Tide on 7 December 2006.

Consolidated Statement of Cash Flows
for the year ended 31 December 2008

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Loss from operations	**(250)**	(399)
Adjustment for:		
Amortisation of intangibles	**42**	41
Depreciation of equipment, fixtures and fittings	**11**	10
Operating cash flows before movement in working capital and provisions	**(197)**	(348)
(Increase) / Decrease in inventories	**(14)**	3
(Increase) / Decrease in trade and other recivables	**(212)**	31
(Increase) / Decrease in trade and other payables	**(164)**	30
Cash generated used in operations	**(587)**	(284)
Income tax paid	**-**	-
Net cash used in operating activities	**(587)**	(284)
Cash flows used in investing activities		
Acquisition of subsidiaries	**-**	(60)
Purchase of fixed assets	**(27)**	-
Interest received	**2**	10
Net cash used in investing activities	**(25)**	(50)
Cash flows from financing activities		
Net proceeds from issue of shares	**272**	206
Interest paid	**(33)**	(19)
Net increase/ (decrease) in borrowings	**209**	(49)
Net cash from financing activities	**448**	138
Net decrease in cash and cash equivalents	**(164)**	(196)
Net cash and cash equivalents at beginning of period	**175**	371
Net cash and cash equivalents at end of period	**11**	175
Analysis of Net Funds		
Cash and cash equivalents	**89**	175
Bank overdraft	**(78)**	-
	11	175
Other borrowing due within one year	**(71)**	(78)
Borrowings due after one year	**(313)**	(102)
Finance Leases	**(11)**	(17)
Net debt	**(384)**	(22)

A) Significant accounting policies

Crimson Tide plc ("the Company") is a company domiciled in the United Kingdom. The consolidated financial statements of the Company for the year ended 31 December 2008 comprise the Company and its subsidiaries (together referred to as "the Group").

B) Statement of compliance

The consolidated financial statements of Crimson Tide plc have been prepared in accordance with applicable law and International Financial Reporting Standards incorporating International Accounting Standards and Interpretations (collectively "IFRS") as endorsed by the European Union.

C) Basis of preparation

The Financial Statements have been prepared on the historical cost basis except for certain assets and liabilities which have been measured at fair value. The financial statements are presented in UK sterling.

Non-current assets are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in a period of the revision and future periods if the revision affects both current and future periods.
The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

The accounting policies have been applied consistently by Group entities.

D) Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year.

E) Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and all of its subsidiaries.
On an acquisition, fair values are attributed to the Group's share of net assets. Where the cost of acquisition exceeds the values attributable to such net assets, the difference is treated as purchased goodwill, which is capitalised and subjected to annual impairment reviews. The results of acquired companies are brought in from the date of their acquisition.

F) Foreign currency transactions and translation

Foreign currency transactions by Group companies are booked in their functional currencies at the exchange rate ruling on the date of transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included profit or loss for the period and are classified as either operating or financing depending on the nature of the monetary item giving rise to them.

On consolidation, the assets and liabilities of the Group's overseas operations are translated into the presentation currency of the Group at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period where these approximate the rates at the dates of transactions. Exchange differences arising, if any, are classified within equity and transferred to the Group's currency translation reserve. Exchange differences on foreign currency loans that form part of the Group's net investment in these foreign operations are offset in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets of the foreign entity and translated at the closing date.

G) Equipment, fixtures and fittings

i. Owned assets
Items of equipment, fixtures and fittings are stated at historic cost less accumulated depreciation with different useful lives (see below).

ii. Leased assets
Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired in terms of finance leases are capitalised at their fair value at inception of the lease, and depreciated over the estimated useful life of the asset. The capital element of future obligations under the leases in included as a liability in the balance sheet.

iii.Depreciation
Depreciation is charged to the income statement over the estimated useful lives of each part of an item of equipment, fixtures and fittings. The depreciation rates are as follows:
Office and computer equipment 20% on cost on a straight-line basis
Fixtures and fittings 25% on a reducing balance basis
Motor Vehicles 20% on cost on a straight-line basis

H) Intangible assets

i. Development Expenditure
Direct costs of developing software for commercial resale are capitalised and amortised over the expected useful life of the product. Amortisation commences when revenues from the product begin to be received. The carrying value of development costs is reassessed annually.

ii. Goodwill
Goodwill represents the excess of the fair value of the consideration given for investments in subsidiary undertakings over the fair value of the underlying assets at the date of their acquisition. The carrying value of goodwill is reassessed annually.

I) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of its net selling price and its value in use. For intangible assets that are not yet available for use, goodwill or intangible assets with an indefinite useful life, an impairment test is performed at each balance sheet date.

In assessing value in use, the expected future cash flows from the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised in the income statement whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

A previously recognised impairment loss is reversed if the recoverable amount increases as a result of a change in the estimates used to determine the recoverable amount, but not to an amount higher than the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years. For goodwill, a recognised impairment loss is not reversed.

J) Turnover and revenue recognition

The turnover shown in the profit and loss account represents amounts receivable for services provided to customers, exclusive of Value Added Tax. Subscription income and support and maintenance income is credited to turnover in equal monthly instalments over the period of the agreement.

K) Expenses

i. Operating lease payments
Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.
ii. Finance lease payments
The capital element of finance lease repayments is treated as a reduction in the balance sheet liability and the interest element is charged to the profit and loss account on a "sum of digits" basis.

L) Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date.

M) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to capital expenditure are deducted in calculating the carrying amount of the asset. The grant is recognised in profit or loss over the life of the asset as a reduced amortisation expense. Revenue related grants are credited to the income statement when the related expenditure is expensed.

N) Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of the financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited to equity.

1. Segmental reporting

	Turnover Year ended 31 December		Operating profit / (loss) Year ended 31 December		Net Assets Year ended 31 December	
	2008	2007	2008	2007	2008	2007
	£000	£000	£000	£000	£000	£000
UK	**1,213**	919	**(315)**	(448)	**435**	488
Ireland	**563**	755	**65**	49	**78**	49
Total	**1,776**	1,674	**(250)**	(399)	**513**	537

2. Loss from operations

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Amortisation of intangible assets	**42**	40
Depreciation on equipment, and fixtures and fittings	**11**	10
Operating lease costs	**52**	43
Auditors remuneration for:		
- Audit services	**10**	19
- Other services:		
- The auditing of accounts of associates of the Company pursuant to legislation	**5**	12
- Other services supplied pursuant to such legislation	**10**	13

3. Finance income and costs

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Bank interest payable	**18**	16
Other loan interest	**12**	1
Finance lease interest	**3**	2
Interest receivable	**(4)**	(10)
Net finance cost	**29**	9

4. Employees

Staff costs (including Directors) were as follows:

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Wages and salaries	**695**	681
Non-Executive Directors' fees	**31**	36
Compulsory social security contributions	**85**	85
Other pension costs	**4**	4
Personnel costs	**815**	806

The following amounts are included above in relation to Directors:

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Wages and salaries	**269**	269
Non-Executive Directors' fees	**31**	36
Compulsory social security contributions	**32**	32
Directors' costs	**332**	337

Average monthly staff numbers in the period were as follows:

	Year ended 31 December 2008 No.	Year ended 31 December 2007 No.
Sales and marketing	**6**	6
Technical	**6**	7
Management, finance and administration	**4**	3
	16	16

5. Taxation

No tax charge has been incorporated into the consolidated accounts for the periods ended 31 December 2008 or 31 December 2007 due to the availability of tax losses.

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Loss on ordinary activities before tax	**(279)**	(408)
Loss on ordinary activities by rate of tax	**(78)**	(122)
Expenses not deductible for taxation purposes	**10**	11
Carried forward taxable losses	**68**	111
Utilisation of brought forward tax losses	**-**	-
Tax on loss on ordinary activities	**-**	-

Deferred tax asset

The Group has an unprovided deferred tax asset relating to carried forward taxable losses of approximately £720,000 (2007: £700,000). This asset has not been recognised in the accounts due to uncertainty of the timing of future taxable profits against which it can be utilised.

6. Loss per share

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

The calculation of diluted loss per share is based on loss per share 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.

Reconciliations of the loss and weighted average number of shares used in the calculations are set out below:

Basic loss per share	**Year ended 31 December 2008**	Year ended 31 December 2007
Reported loss (£000)	**(279)**	(408)
Reported loss per share (pence)	**(0.09)**	(0.14)

Weighted average number of ordinary shares:	**Year ended 31 December 2008 No.**	Year ended 31 December 2007 No.
Opening balance	**290,940,440**	279,899,089
Effect of share placing during the year	**16,728,346**	6,298,630
Effect of share warrants exercised during year	**14,116**	15,349
Effect of shares issued in acquisition of Crimson Tide (IE) Ltd	**2,139,178**	-
Weighted average number of ordinary shares	**309,822,080**	286,213,068

Due to the Group's loss for the period, the diluted loss per share is the same as the basic loss per share.

7. Intangible assets

Group	Goodwill £000	Group development expenditure £000	Total £000
Cost			
At 31 December 2007	**988**	**72**	**1,060**
Additions			
Mobile data applications development cost	**-**	**21**	**21**
At 31 December 2008	**988**	**93**	**1,081**
Impairment and amortisation			
At 31 December 2007	**(128)**	**(43)**	**(171)**
Charge for year	**(31)**	**(11)**	**(42)**
At 31 December 2008	**(159)**	**(54)**	**(213)**
Carrying amount			
At 31 December 2008	**829**	**39**	**868**
At 31 December 2007	860	29	889

8. Equipment, fixtures and fittings

Group	Office and computer equipment £000	Fixtures and fittings £000	Motor Vehicles £000	Total £000
Cost				
At 31 December 2007	**30**	**12**	**10**	**52**
Additions	**4**	**2**	**-**	**6**
At 31 December 2008	**34**	**14**	**10**	**58**
Depreciation				
At 31 December 2007	**(12)**	**(7)**	**(4)**	**(23)**
Charge for year	**(7)**	**(2)**	**(2)**	**(11)**
At 31 December 2008	**(19)**	**(9)**	**(6)**	**(34)**
Carrying amount				
At 31 December 2008	**15**	**5**	**4**	**24**
At 31 December 2007	18	5	6	29

Included within the net book value of £24,000 is £15,000 (2007: £19,000) relating to assets held under finance lease agreements. The depreciation charge to the financial statements in the year in respect of such assets amounted to £6,000 (2007: £4,000).

8. Equipment, fixtures and fittings (continued)

	Fixtures & Fittings Total
Company	**£000**
Cost	
At 31 December 2007	**17**
Additions	**-**
Disposals	**-**
At 31 December 2008	**17**
Depreciation	
At 31 December 2007	**(17)**
Charge for year	**-**
Disposals	**-**
At 31 December 2008	**-**
Carrying amount	
At 31 December 2008	-
At 31 December 2007	-

9. Investments

Company

The Company is the holding company of the Group. The following table shows details of the Company's subsidiary undertakings at 31 December 2008. Each of these companies is wholly owned by Crimson Tide plc, the issued share capital of each is fully paid and each is included in the consolidated accounts of the Group:

Name of company	Activity	Country of incorporation or registration and operation
Owned directly by Crimson Tide plc		
Crimson Tide mPro Limited	Mobile data solutions	England and Wales
Crimson Tide Services Limited	Mobile data solutions	England and Wales
A. Cohen & Co. (GB) Limited	Non-trading	England and Wales
Crimson Tide (IE) Limited	Software	Ireland
A.Cohen (Aust) Pty Limited	Non-trading	Victoria, Australia
Owned by Crimson Tide mPro Limited		
Moneymotive Limited	Non-trading	England and Wales
Mobile Professional plc	Non-trading	England and Wales
Owned by Moneymotive Limited		
Callog Limited	Telecoms	England and Wales

9. Investments (continued)

Company	Shares in subsidiary undertakings £000	Trade investments £000	Total £000
Cost			
At 31 December 2007	**5,293**	**386**	**5,679**
Additions	**4**	**-**	**4**
At 31 December 2008	**5,297**	**386**	**5,683**
Provisions			
At 31 December 2007	**1,929**	**386**	**2,315**
Impairment	**-**	**-**	**-**
At 31 December 2008	**1,929**	**386**	**2,315**
Carrying amount			
At 31 December 2008	**3,368**	**-**	**3,368**
At 31 December 2007	3,364	-	3,364

10. Trade and other receivables

Group	As at 31 December 2008 £000	As at 31 December 2007 £000
Trade receivables	**325**	244
Other receivables	**92**	3
Prepayments and accrued income	**180**	136
	597	383

Company	As at 31 December 2008 £000	As at 31 December 2007 £000
Amounts recoverable from Group undertakings	**777**	541
Other receivables	**4**	2
Prepayments and accrued income	**5**	12
	786	555

11. Cash and cash equivalents

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

12. Share capital

	As at 31 December 2008 £000	2007 £000
Authorised		
Ordinary shares: 711,950,842 shares of 1p each (2007: 411,950,842 shares of 1p each)	**7,120**	4,120
Deferred shares: 15,160,482 shares of 19p each	**2,880**	2,880
	10,000	7,000
Issued, called up and fully paid		
Ordinary shares: 318,990,642 shares of 1p each (2007: 290,940,440 shares of 1p each)	**3,190**	2,910
Deferred shares: 15,160,482 shares of 19p each	**2,880**	2,880
	6,070	5,790

Warrants

On admission to AIM, the Company issued an aggregate of 22,574,048 warrants to shareholders on the basis of 1 warrant for every 2 ordinary shares held and to placees on the basis of 1 warrant for every 4 ordinary shares subscribed for.

Total warrants existing at 31 December 2008 over 1p ordinary shares in the Company are summarised below:

Date of Grant	Exercise Price	Expiry Date	Number Issued	Number outstanding 31 December 2007	Exercised in period	Number outstanding 31 December 2008
22 August 2006	1.5p	22 August 2009	22,574,048	22,528,473	29,689	22,498,784

Share options

On 5 February 2007 and 5 November 2008 the Company granted options to some of the Directors and employees under the Company's Enterprise Management Incentive Scheme. The share options may not be exercised for two years and thereafter, only if the target share price is achieved.

At 31 December 2008 the following options were outstanding in respect of ordinary shares.

Date of Grant	Target share price	Exercise Price	Expiry Date	Number Issued	Exercised in period	Number outstanding at 31 December 2008
5 February 2007	2.5p	1.5p	5 February 2017	11,000,000	—	11,000,000
5 November 2008	2.5p	1.0p	5 November 2018	7,000,000	—	7,000,000

13. Reserves

Group	Capital redemption reserve £000	Share premium £000	Other reserves £000	Reverse acquisition reserve £000	Retained earnings £000
Balance as at 1 January 2007	**49**	**916**	**457**	**(5,244)**	**(1,163)**
Loss for the year	**-**	**-**	**-**	**-**	**(408)**
Proceeds from new shares issued during the year	**-**	**96**	**-**	**-**	**-**
Shares to be issued on acquisition of IDL	**-**	**-**	**60**	**-**	**-**
Additional costs for acquisition of IDL	**-**	**(6)**	**-**	**-**	**-**
Translation movement	**-**	**-**	**(10)**	**-**	**-**
Balance as at 31 December 2007	**49**	**1,006**	**507**	**(5,244)**	**(1,571)**
Loss for the year	**-**	**-**	**-**	**-**	**(279)**
Proceeds from new shares issued during the year	**-**	**24**	**-**	**-**	**-**
Shares issued for acquisition of IDL	**-**	**28**	**(60)**	**-**	**-**
Convertible loan - equity component	**-**	**-**	**11**	**-**	**-**
Translation movement	**-**	**-**	**(28)**	**-**	**-**
Balance as at 31 December 2008	**49**	**1,058**	**430**	**(5,244)**	**(1,850)**

Note: "IDL" means Intelligent Data Limited, acquired by Crimson Tide on 7 December 2006.

Company	Capital redemption reserve £000	Share premium £000	Other reserves £000	Retained earnings £000
Balance as at 1 January 2007	**49**	**915**	**323**	**(3,437)**
Loss for the year	**-**	**-**	**-**	**(103)**
Proceeds from new shares issued during the year	**-**	**96**	**-**	**-**
Shares to be issued on acquisition of IDL	**-**	**-**	**60**	**-**
Additional costs for acquisition of IDL	**-**	**(5)**	**-**	**-**
Balance as at 31 December 2007	**49**	**1,006**	**383**	**(3,540)**
Loss for the year	**-**	**-**	**-**	**(136)**
Proceeds from new shares issued during the year	**-**	**24**	**-**	**-**
Shares issued for acquisition of IDL	**-**	**28**	**(60)**	**-**
Balance as at 31 December 2008	**49**	**1,058**	**323**	**(3,676)**

Note: "IDL" means Intelligent Data Limited, acquired by Crimson Tide on 7 December 2006.

14. Creditors: Amounts falling due within one year

Group	As at 31 December 2008 £000	As at 31 December 2007 £000
Bank loans	**71**	78
Bank overdraft	**78**	—
Trade creditors	**271**	391
PAYE and social security	**30**	32
VAT	**12**	45
Finance lease agreements	**11**	17
Directors’ current account	**19**	18
Other creditors	**5**	2
Accruals and deferred income	**294**	279
	791	862

Company	As at 31 December 2008 £000	As at 31 December 2007 £000
Bank loans	**46**	39
Trade creditors	**30**	31
Amounts owed to Group undertakings	**239**	69
Other creditors and accruals	**17**	41
	332	180

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

Group	As at 31 December 2008 £000	As at 31 December 2007 £000
Bank Loans	**68**	102
Other loans	**245**	—
	313	102

Other loans comprise of a convertible loan that matures in February 2010 – see note 18. Up to £150,000 can be converted into Ordinary Shares of 1p on or prior to maturity at the holder's option. The fair value of the liability component is included in amounts falling due after more than one year. The residual amount, representing the value of the equity conversion option, is included in shareholders' equity in other reserves – see note 13.

Company	As at 31 December 2008 £000	As at 31 December 2007 £000
Bank loans	**68**	102

Maturity of debt

Group	As at 31 December 2008 £000	As at 31 December 2007 £000
The loans and finance leases are repayable as follows:		
Within one year	**82**	95
Between one and two years	**279**	34
Between two and five years	**34**	68
	395	197

Company	As at 31 December 2008 £000	As at 31 December 2007 £000
The loans and finance leases are repayable as follows:		
Within one year	**46**	39
Between one and two years	**34**	34
Between two and five years	**34**	68
	114	141

16. Operating lease commitments

At the period end, annual commitments under non-cancellable operating leases were:

Group	**As at 31 December 2008 £000**	As at 31 December 2007 £000
Operating leases which expire:		
Within 1 year	**17**	-
Within 2 – 5 years	**-**	34
	17	34

17. Financial Risk Management

The Group uses a limited number of financial instruments, comprising cash, short-term deposits, loans, bank overdrafts and various items such as trade receivables and payables, which arise directly from operations. The Group does not trade in financial instruments.

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

a) Foreign currency risk
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the UK pound and the euro. At the end of the year the Group held negligible net monetary assets in euros. Foreign exchange differences on retranslation of these assets and liabilities are taken to the income statement.

b) Credit risk
The Group has no significant concentrations of credit risk and has policies in place to ensure that sales are made to customers with an appropriate credit history.

c) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and available funding through an adequate amount of committed credit facilities. The Group ensures it has adequate cover through the availability of bank overdraft and loan facilities.

18. Related party transactions

On 5 August 2008 the Group secured a borrowing facility with the Goodwin Accumulation & Maintenance Trust, a trust of which Mr. S K Goodwin is a trustee. The loan facility for up to £300,000 has an 18 month term at a fixed interest rate of 12.5% and an associated option to purchase Ordinary Shares up to the value of £150,000 at an exercise price of 1.21875 pence per share. The option lapses at the end of the loan facility term.

Other than the above and the Director's current account (monies owed to Mr B R J Whipp), no transactions with related parties were undertaken such as are required to be disclosed under International Accounting Standard 24.

19. Profit of the Parent Company

As permitted by Section 230 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 £136,353 (period to 31 December 2007: £102,605).

20. Financial Instruments

The Group's financial instruments comprise cash, borrowings and various items such as trade debtors and trade creditors, which arise directly from its operations. It is, and has been throughout the period under review, the Group's policy not to trade in financial instruments but to use loans as a means to ensure a balance between continuity of funding and flexibility.

Short-term debtors/creditors have been excluded from the following disclosures.

Group	**As at 31 December 2008 £000**	As at 31 December 2007 £000
Financial Assets		
Cash at bank and in hand	**89**	175
Maturing:-		
On demand	**89**	175
Financial Liabilities		
Bank Loans — floating rate	**139**	180
Other loans at a rate of 12.5% p.a.	**245**	-

An analysis of the maturity of the debt is given in note 15.
The main risk arising from the Group financial instruments is interest rate risk. The Directors review and agree policies for managing these risks.

Liquidity risk
The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Fair value
The net fair values and carrying amounts approximate their carrying value. The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and notes.

21. Post-balance sheet events

There were no post balance sheet events.

Company Balance Sheet
at 31 December 2008

	Notes	As at 31 December 2008 £000	2007 £000
Assets			
Tangible assets	8	**-**	-
Investments	9	**3,368**	3,364
Total non-current assets		**3,368**	3,364
Trade and other receivables	10	**786**	555
Cash and cash equivalents	11	**70**	51
Total current assets		**856**	606
Total Assets		**4,224**	3,970
Equity and liabilities			
Issued capital	12	**6,070**	5,790
Capital redemption reserve	13	**49**	49
Share premium	13	**1,058**	1,006
Other Reserves	13	**323**	383
Retained earnings	13	**(3,676)**	(3,540)
Total equity		**3,824**	3,688
Creditors			
Amounts falling due within one year	14	**332**	180
Amounts falling after more than one year	15	**68**	102
Total liabilities		**400**	282
Total equity and liabilities		**4,224**	3,970

The financial statements were approved by the Board of Directors on 5 June 2009 and are signed on its behalf by:

B R J Whipp
Director

S K Goodwin
Director

Company Statement of Changes in Equity
at 31 December 2008

	Year ended 31 December 2008 £000	Year ended 31 December 2007 £000
Loss after tax for the year being total recognised income and expense for the year	**(136)**	(103)
Issue of share capital	**272**	201
Share capital to be issued	**-**	60
Total changes in equity	**136**	158

Company Statement of Cash Flows
for the year ended 31 December 2008

	Year ended 31 December 2008 £000	2007 £000
Operating cash flows before movement in working capital and provisions	**(129)**	(101)
Increase in trade and other receivables	**(231)**	(356)
Increase in trade and other payables	**145**	38
Income tax paid	**-**	-
Net cash used in operating activities	**(215)**	(419)
Cash flows used in investing activities		
Acquisition of subsidiaries	**(4)**	(60)
Purchases of fixed assets	**-**	-
Interest received	**2**	10
Net cash used in investing activities	**(2)**	(50)
Cashflows from financing activities		
Net proceeds from issue of shares	**272**	206
Interest paid	**(9)**	(12)
Net decrease in borrowings	**(27)**	(29)
Net cash from financing activities	**236**	165
Net increase / (decrease) in cash and cash equivalents	**19**	(304)
Net cash and cash equivalents at beginning of period	**51**	355
Net cash and cash equivalents at end of period	**70**	51

	2008 £000	2007 £000
Analysis of Net Funds		
Cash and cash equivalents	**70**	51
Bank overdraft	**-**	-
	70	51
Other borrowing due within one year	**(46)**	(38)
Borrowings due after one year	**(68)**	(102)
Net funds	**(44)**	(90)

Officers and Professional Advisers

The Board of Directors	B R J Whipp (Executive Chairman) R S Ager G B Ashley S K Goodwin J W F Roth
Secretary	S K Goodwin
Registered office	10 Orange Street Haymarket London WC2H 7DQ
Registered Number	0113845
Bankers	HSBC Bank plc 9 Wellesley Road Croydon Surrey CR9 2AA
Auditors	Shipleys LLP 10 Orange Street Haymarket London WC2H 7DQ
Nominated Adviser and Broker	W. H. Ireland Limited 85–89 Colmore Row Birmingham B3 2BB
Solicitors	Gordons Partnership LLP 22 Great James Street London WC1N 3ES
Website	www.crimsontide.co.uk

Notice of Annual General Meeting

Notice is hereby given that the 2008 Annual General Meeting of Crimson Tide plc will be convened at Tavern Cellars, 39-41 The Pantiles, Tunbridge Wells, Kent TN2 5TE on 30 June 2009 at 11 am to transact the following business and consider and, if thought fit, pass the following resolutions, each such resolution to be considered as an ordinary resolution.
Ordinary Resolutions

1 To receive the report and accounts of the Company for the year ended 31 December 2008

2 To reappoint Messrs Shipleys LLP as Auditor and authorise the Directors to fix their remuneration

3 To reappoint Jeremy Walter Frederick Roth as a Director of the Company

4 To reappoint Rowley Stuart Ager as a Director of the Company

By order of the Board
Stephen Goodwin
Company Secretary
Registered Office
10 Orange Street
London WC2H 7DQ
5 June 2009

Notes
1 Proxies
Any member of the Company entitled to attend and vote at the above meeting may appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member.
2 Contracts of Service
All Directors' contracts of service having more than one year's unexpired term are available for inspection by members at the Company's registered office during business hours and will be available for inspection at the location of the meeting for the period commencing 15 minutes prior to the commencement of the meeting and ending at the conclusion of the meeting.

Form of Proxy

Crimson Tide plc
(“Crimson Tide” or “the Company”)
Annual General Meeting on 30 June 2009 at 11.00 am

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

of . . . .

hereby appoint the Chairman of the Meeting or . . . . (delete as appropriate) as my/our proxy to attend, to speak and to vote in respect of the shares registered in my/our name(s) at the Annual General Meeting of Crimson Tide plc to be held on 30 June 2009 and at any adjournment thereof. I/We direct my/our proxy to vote on the following resolution as I/we have indicated by marking the appropriate box with an ‘X’.

RESOLUTION	FOR	AGAINST	ABSTENTION
1 To approve accounts			
2 To re-appoint auditors			
3 To re-appoint J W F Roth as director			
4 To re-appoint R S Ager as director			

Signature . . . . Date . . . .

Notes on completion:

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.
2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the space provided. If you sign and return this proxy form with no name inserted in the space, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share.
5. To direct your proxy how to vote on the resolutions mark the appropriate box with an ‘X’. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

To appoint a proxy using this form, the form must be:

• completed and signed;
• sent or delivered to Company Secretary; and
• received no later than 26 June 2009 at 11.00 am.

6. If your shares are held through CREST, you may use the CREST electronic proxy appointment service.
7. In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
8. Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.
9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s register of members in respect of the joint holding (the first-named being the most senior).
11. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
12. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, a proxy may vote or abstain from voting at his or her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

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Please
Affix
Stamp
Here

The Company Secretary
Crimson Tide Plc
Tavern Cellars
39/41 The Pantiles
Tunbridge Wells
TN2 5TE

First fold

Third fold

Crimson Tide Plc	Registered in England No. 0113845
Our registered office:	10 Orange Street, London, WC2H 7DQ
UK office:	Tavern Cellars, 39/41 The Pantiles, Royal Tunbridge Wells, Kent, TN2 5TE
Telephone:	01892 542444
Fax:	01892 510441
General email address:	info@crimsontide.co.uk
Ireland Office:	3013 Lake Drive, Citywest Business Campus Dublin 24
Telephone:	+353 (0) 1 4693719
Fax:	+353 (0) 1 4693115
General email address:	info@crimsontide.ie
Web	**www.crimsontide.co.uk**