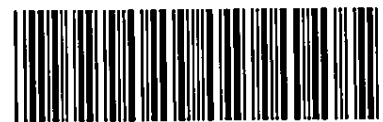


Company Number: 00113845

SATURDAY



A82YD1JF

A04

19/07/2008

49

COMPANIES HOUSE

crimson tide plc annual report and accounts 2007

About Us

Crimson Tide plc

Crimson Tide aims to be the leading service provider of mobile data solutions for business.

We provide an end-to-end service that allows organisations to mobilise their business. Supplying a pda or smartphone, Crimson Tide mobilises crm, field sales & service systems and also supplies custom mobile forms. Information is synchronised wirelessly in real-time to hosted or integrated databases. All hardware, software & services are provided on a low monthly subscription and we can manage devices remotely for rapid support and management.

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. The company is listed on the AiM market of The London Stock Exchange and is based in the UK and Ireland.

Highlights 2007

01

Turnover

Up **51%**
to £1 67m

Higher Profile

customers and
solutions

Continued Growth

in customer base
and contracted
revenues

- Turnover increased 51% to £1 67m in the 12 months to 31 December 2007 (14 months to 31 December 2006 £1 10m)
- Loss before interest, tax, depreciation and amortisation of £0 35m for the 12 months to 31 December 2007, in line with our expectations
- Significant improvement in second half of year with loss reducing consistently
- Continued growth in customer base and contracted revenues, larger customers achieved
- Confident of growth prospects

Contents

Highlights	01
Bridge the communications gap	02
Chairman's statement	03
Operating and financial review	04
Board of Directors	06
Directors' report	07
Corporate governance report	10
Report of the remuneration committee	12
Independent auditor's report to the shareholders	13
Consolidated income statement	15
Consolidated balance sheet	16
Consolidated statement of changes in equity	17
Consolidated statement of cash flows	18
Notes to the consolidated financial statements	19
Company balance sheet	34
Company statement of changes in equity	35
Company statement of cash flows	36
Officers and Professional Advisers	37
Notice of Annual General Meeting	38
Form of Proxy	39

02 Bridge the communications gap

At **crimson tide**,
our aim is to be the
leading service provider
of mobile data solutions
for business.

We help:

Marks & Spencer monitor the standard of
cleaning in their stores

Knight Frank – know how jobs are
progressing in trophy buildings like The
Adelphi

Surrey NHS Trust – keep in touch with
mobile email

Heatons – know whether they have a certain
item in stock in store

Gisela Graham – see what stock levels are
held

KBA – know how many jobs their service
engineers have completed

Gas Contract Services – know whether a
boiler has been serviced

Verry FM – push jobs out to their mobile
operatives

Michael Else & Co – synchronise their mobile
email

Channel Ports – manage freight passing
through the Channel Tunnel

And More – one of the big four banks, a major
search engine company, and a wide range of
household names – know if their branches
have been cleaned and inspected

Chairman's Statement

Barrie Whipp

“Building on the successes of 2007, our pipeline of new business opportunities is very strong, both from increasing numbers of subscribers from our existing customers and from new prospects.”

I am pleased to report the results for Crimson Tide plc for the twelve months ended 31 December 2007, the company's first full year as an AIM listed company. I am particularly pleased to confirm that the growth in the business during the year was significant. Turnover grew to £1.67m which was 78% higher than the equivalent twelve month period in 2006 and 51% higher than the last reported fourteen month period ending 31 December 2006. The loss before tax for the year was £0.41m, in line with our expectations. Notably, the loss for the second half of the year at the EBITDA level was £0.13m, an improvement over the loss in the first half of 43%.

Our mobile data solutions have attracted a wide range of new customers and the size of those customers has been larger than we anticipated. Our solutions are being used in many high street retail outlets and financial institutions. Contract wins with organisations such as Marks & Spencer and Knight Frank have validated our business model and demonstrated our ability to sell to larger organisations. Marks & Spencer monitors contractors cleaning their branches using our real-time handheld solution. Knight Frank uses our system to monitor facilities management in trophy buildings such as The Adelphi in London. All of these contracts have increased in numbers of users and further application development through the year. Our subscription based mobile data solutions have been proved to deliver fast, demonstrable return on investment.

Our operations in the Republic of Ireland had a good year and are now seamlessly integrated into our operational structure. A number of exciting applications have been developed by our staff in Ireland and we have introduced solutions to a number of vertical markets. We

have some exciting opportunities in the retail and healthcare fields due for roll-out in 2008.

Building on the successes of 2007, our pipeline of new business opportunities is very strong both from increasing numbers of subscribers from our existing customers and from new prospects. These opportunities include a range of applications where we have customised solutions from existing vertical markets as well as solutions for areas new to us. We have made a good start to the year and are pressing forward with delivering a wide range of solutions, both in the UK & Ireland.

In summary, during the reported period, we have delivered all that was expected at the time we floated on AIM. We have controlled overheads, grown our revenues and, more importantly, increased our contracted, long-term subscriber base. The Directors are continuing to work hard to drive the business forward towards profitability and believe firmly that the market for our solutions is growing.

The Company's AGM is to be held on 23 July 2008 at 11.00am at IAF Securities Limited, 117 Jermyn Street, London SW1Y 6HH.

Finally, I would like to thank Crimson Tide's team for their continued commitment and dedication.



Barrie Whipp
Executive Chairman
27 June 2008

04 Operating and Financial Review

Stephen Goodwin

I am very pleased to report on the progress the Crimson Tide Group has made in 2007, the first full year the business has operated as an AIM listed Company

Operating Review

Our focus throughout 2007 has remained firmly on providing mobile data solutions on a subscription basis, using the funds raised at the time of the reverse takeover in August 2006

The market remains buoyant with more and more companies now realising the productivity and efficiency benefits to be gained from mobile working. In fact, we have noticed a fundamental change in our prospective customers' view. Generally, these businesses understood the potential of being in e-mail contact while away from their office but were less aware of other activities that could also be completed remotely. Now, however, their appreciation is much greater and as a result, our marketing campaigns and sales approach are designed accordingly.

We have been disciplined in concentrating on specific vertical markets to maximise the effectiveness of our marketing and the potential of the software applications we have developed to date. At this stage, we believe it would be a mistake to try to address every mobile application requirement we come across, so we have "mined" the markets where we have had most success to date, namely, cleaning and facilities management, engineering, professional services, and companies dealing with large plant and machinery. All have field-based staff who would previously have completed paper forms or documentation but can now input data in real time to their office based systems or a hosted database, and access up to date information such as job sheets and customer records. Another common requirement is the ability for office based staff to access information originating from their colleagues who are away from the office. This requirement extends to our customer's customer who may want to monitor performance in real-time against a service level agreement.

Our challenge throughout 2007 has been to ensure that the funds we had available to grow the business were used most effectively to meet the costs of marketing our services, employing the technical resources to deliver our solutions as quickly as possible and paying up front for the mobile device used by each subscriber. Our planning models clearly show that in the medium term, our portfolio of more mature subscribers will be generating sufficient cash to more than cover the up front cash requirements to add new subscribers but, for the time being, we continue to utilise working capital to meet this need. Post the December 2007 year end, we issued new equity to raise a further £272,500, net of expenses allowing us to accelerate our growth over the second half of 2008 and beyond.

During 2007 our mobile data solutions subscriber numbers on thirty-six month contract terms increased almost four-fold. Our focus is to significantly grow this book of contracted revenues so that in future we have significant committed revenues from our subscribers stretching out over three or more years. A consequence of this strategy is that because we conservatively account for the revenue from each subscriber as it is invoiced each month, a solution sold in the latter part of the financial year has a proportionately small impact on turnover in that year with the majority accounted for thereafter.

Operations in Ireland following the acquisition we made there in December 2006 were quickly integrated into the Group. Certain backoffice activities were integrated into the UK leaving the Irish team to focus on selling and delivering our mobile and other software solutions. As previously announced, the business in Ireland achieved the turnover target of €1m set out in the acquisition agreement and as a result the sellers were rewarded with further shares in Crimson Tide. Increasingly the operations in the UK and Ireland will merge as we have also begun to cross-sell the solutions we have developed in the UK into the Irish market and have utilised our Irish colleagues' expertise in barcode technology to sell these solutions in the UK.

Our employees, both in the UK and in Ireland, have performed magnificently over the whole year. Their hard work and dedication is to be commended as often they have been under-resourced and under pressure to meet tight deadlines. The Directors fully appreciate their on-going commitment to Crimson Tide.

Financial Performance

Our turnover growth in 2007 has been encouraging and the loss for the period is in line with our expectations.

Sales of mobile solutions contributed £1.14m in 2007 being 69% of the total turnover in the year and sales of legacy software solutions made up the balance of £0.53m as marketing and technical resources were diverted to the former. The effect of the increasing subscriber base can be seen on Earnings Before Interest, Depreciation and Amortisation which totalled a loss of £0.22m in the first half of 2007 but had reduced to £0.13m in the second half.

Overheads have been kept under tight control over the course of the year, the increase over 2006 being mostly due to a full year's AIM related costs and a full year with the Ireland operation included in the Group.

Future Prospects

I am very pleased with the progress that we have made to date and optimistic that we will be able to increase our rate of growth in a market that is increasingly demanding our solutions.



Stephen Goodwin
Chief Executive
27 June 2008

06 Board of Directors

Barrie Reginald John Whipp 47 **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 49 **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 46 **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 62 **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 61 **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-raising across a wide range of sectors and industries.

Graham is currently Chief Executive Officer of IAF Securities Limited, a stockbroking firm which is a division of IAF Group plc, quoted on AIM, and 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

07

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2007

Principal Activities and Review of the Business

The principal activity of the Group during the period was the provision of mobile data solutions 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 2007 was £1,674,357 (year for 31 December 2006 £1,105,729) and the total loss for the period before taxation was £407,495 (year to 31 December 2006 £296,863)

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	
	£0 01 each 31 December 2007	£0 01 each 31 December 2006
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	16,800,000	16,000,000
R S Ager	6,500,000	5,140,000

* Mr Goodwin also had an interest as a trustee in 1,650,000 Ordinary Shares of £0 01 each as at 31 December 2007 (1,650,000 ordinary shares of £0 01 each as at 31 December 2006)

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

	Share options	
	Number of 31 December 2007	Number of 31 December 2006
S K Goodwin	5,000,000	—
J W F Roth	2,000,000	—

08 Directors' Report

continued

Directors' Interests in Warrants

The interests of Directors in Warrants as at 31 December 2006 were as follows

	Warrants	
	31 December 2007	31 December 2006
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 2007 £	Total 2006 £
Non-Executive				
Rowley Ager	18,000	—	18,000	6,473
Graham Ashley	18,000	—	18,000	6,670
Executive				
Barrie Whipp	84,000	14,820	98,820	74,065
Stephen Goodwin	72,000	13,386	85,386	61,590
Jeremy Roth	72,000	12,882	84,882	61,233
Total	264,000	41,088	305,088	210,031

Significant shareholdings

As at 31 May 2008 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 31 May 2008	Percentage of issued share capital
B R J Whipp	115,610,132	36.25%
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	16,000,000	5.02%
D L Massie	13,000,000	4.08%

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.

Directors' Report

continued

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

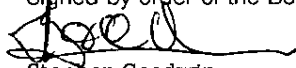
In the case of each of the persons who were Directors of the Company at the date when this report was approved

- 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
27 June 2008

10 Corporate Governance Report

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

Shareholder communication

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

Corporate Governance Report

continued

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 will be issued to key staff during 2008.

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 well-being 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.

12 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 from the levels established on the reverse acquisition in August 2006, other than to utilise new EMI limits when appropriate

On behalf of the Board

Graham Ashley
Chairman — Remuneration Committee
27 June 2008

Independent Auditor's 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 period ended 31 December 2007 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 not 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 Chairman's Statement, the Operating and Financial Review, 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.

14 Independent Auditor's Report to the Members of Crimson Tide plc continued

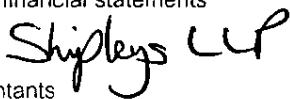
Opinion

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 2007 and of the Group's loss for the period 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 2007,
- 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

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.

Shipleys LLP
Chartered Accountants
Registered Auditors
27 June 2008



10 Orange Street
London
WC2H 7DQ

Consolidated Income Statement

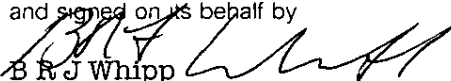
For the year ended 31 December 2007

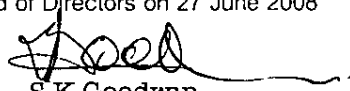
		Year ended 31 December 2007 £000	14 months ended 31 December 2006 £000
	Notes		
Revenue		1,674	1,105
Cost of sales		(745)	(524)
Gross profit		929	581
Total operating expenses		(1,328)	(876)
Loss from operations	2	(399)	(295)
Interest income	3	10	6
Interest payable and similar charges	3	(19)	(8)
Loss before taxation		(408)	(297)
Tax on loss on ordinary activities	5	—	—
Loss for the period attributable to equity holders of parent		(408)	(297)
Loss per share			
Basic and diluted loss per ordinary share	6	(0 14p)	(0 13p)

16 Consolidated Balance Sheet at 31 December 2007

		As at 31 December 2007 £000	As at 31 December 2006 £000
	Notes		
Assets			
Intangible assets	7	889	732
Equipment, fixtures and fittings	8	29	24
Total non-current assets		918	756
Inventories		25	28
Trade and other receivables	10	383	414
Cash and cash equivalents	11	175	394
Total current assets		583	836
Total assets		1,501	1,592
Equity and liabilities			
Share capital	12	5,790	5 679
Capital redemption reserve	13	49	49
Share premium	13	1,006	916
Other reserves	13	507	457
Reverse acquisition reserve	13	(5,244)	(5 244)
Retained earnings	13	(1,571)	(1,163)
Total equity		537	694
Creditors			
Amounts falling due within one year	14	862	762
Creditors			
Amounts falling due after more than one year	15	102	136
Total liabilities		964	898
Total equity and liabilities		1,501	1,592

The financial statements were approved by the Board of Directors on 27 June 2008
and signed on its behalf by


B R J Whipp
Director


S K Goodwin
Director

Consolidated Statement of Changes in Equity

at 31 December 2007

17

Group	Capital			Reverse		Retained earnings	Total
	Share capital	redemption reserve	Share premium	Other reserves	acquisition reserve		
	£000	£000	£000	£000	£000	£000	£000
Balance as at 1 November 2005	730	—	279	—	—	(866)	143
Loss for the period	—	—	—	—	—	(297)	(297)
Proceeds from new shares issued							
during the year	600	—	(63)	—	—	—	537
Shares issued on acquisition of IDL	40	—	44	—	—	—	84
IFRS 3 reverse acquisition conversion	4,309	49	656	457	(5,244)	—	227
Balance as at 31 December 2006	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 exercised							
during the year	1	—	—	—	—	—	1
Shares issued on acquisition 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

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

18 Consolidated Statement of Cash Flows

For the year ended 31 December 2007

	Year ended 31 December 2007 £000	14 months ended 31 December 2006 £000
Notes		
Loss from operations	(399)	(295)
Adjustments for		
Amortisation of intangibles	41	47
Depreciation of equipment, fixtures and fittings	10	23
Operating cash flows before movements in working capital and provisions	(348)	(225)
Decrease/(Increase) in inventories	3	17
Decrease/(Increase) in trade and other receivables	31	—
(Decrease)/Increase in trade and other payables	30	(33)
Cash generated from operations	(284)	(241)
Income taxes paid	—	—
Net cash used in operating activities	(284)	(241)
Cash flows used in investing activities		
Acquisition of subsidiaries	(60)	(467)
Interest received	10	6
Net cash used in investing activities	(50)	(461)
Cash flows from financing activities		
Net proceeds on issues of shares	206	848
Interest paid	(19)	(8)
Net increase/(decrease) in borrowings	(49)	147
Net cash from financing activities	138	987
Net increase in cash and cash equivalents	(196)	285
Net cash and cash equivalents at beginning of period	371	86
Net cash and cash equivalents at end of period	175	371
Analysis of net funds		
Cash and cash equivalents	175	394
Bank overdraft	—	(23)
	175	371
Other borrowings due within one year	(78)	(71)
Borrowings due after one year	(102)	(136)
Finance leases	(17)	(16)
Net (debt)/funds	(22)	148

Notes to the Consolidated Financial Statements

at 31 December 2007

19

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 period ended 31 December 2007 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.

20 Notes to the Consolidated Financial Statements

continued

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 is included as a liability in the balance sheet.

iii Depreciation

Depreciation is charged to the income statement over the estimated useful lives of each part of an item of equipment, fixtures and fittings. The depreciation rates are as follows:

Office and computer equipment	20% on cost on a straight-line basis
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) 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.

22 Notes to the Consolidated Financial Statements

continued

1 Segmental reporting

An analysis of turnover, operating profit/(loss) and net assets by geographical destination market is given below

	Turnover		Operating profit/(loss)		Net assets	
	Year ended	14 months ended	Year ended	14 months ended	Year ended	14 months ended
	31 December	31 December	31 December	31 December	31 December	31 December
	2007	2006	2007	2006	2007	2006
	£000	£000	£000	£000	£000	£000
UK	919	1,067	(448)	(305)	488	666
Ireland	755	38	49	10	49	28
	1,674	1,105	(399)	(295)	537	694

2 Loss from operations

	Year ended 31 December 2007 £000	14 months ended 31 December 2006 £000
This has been arrived at after charging		
Amortisation of intangible assets	40	47
Depreciation on equipment, fixtures and fittings, motor vehicles	10	12
Operating lease costs	43	37
Auditors' remuneration for		
— audit services	19	10
— other services		
The auditing of accounts of associates of the Company pursuant to legislation	12	5
Other services supplied pursuant to such legislation	13	20
Services relating to corporate finance transactions	—	8

3 Finance income and costs

	Year ended 31 December 2007 £000	14 months ended 31 December 2006 £000
Bank interest payable	16	4
Other loan interest	1	2
Finance lease interest	2	2
Interest received on bank deposits	(10)	(6)
Net finance cost	9	2

4 Employees

Staff costs (including Directors) were as follows

	Year ended 31 December 2007 £000	14 months ended 31 December 2006 £000
Wages and salaries	681	438
Non-Executive Directors' fees	36	13
Compulsory social security contributions	85	47
Other pension costs	4	—
Personnel costs	806	498

The following amounts are included above in relation to Directors

	Year ended 31 December 2007 £000	14 months ended 31 December 2006 £000
Wages and salaries	269	197
Non-Executive Directors' fees	36	13
Compulsory social security contributions	32	24
Directors' costs	337	234

Details of the remuneration of each Director are set out in the Directors' Report

Average monthly staff numbers in the period were as follows

	Year ended 31 December 2007	14 months ended 31 December 2006
Sales and marketing	6	3
Technical	7	5
Management, finance and administration	3	4
	16	12

24 Notes to the Consolidated Financial Statements

continued

5 Taxation

No tax charge has been incorporated into the consolidated accounts for the periods ended 31 December 2007 or 31 December 2006 due to the availability of tax losses

	Year ended 31 December 2007 £000	14 months ended 31 December 2006 £000
Loss on ordinary activities before tax	(408)	(297)
Loss on ordinary activities by rate of tax	(122)	(89)
Expenses not deductible for taxation purposes	11	10
Capital allowances in excess of depreciation	—	1
Carried forward taxable losses	111	78
Utilisation of brought forward taxable 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 £700,000 (2006 £600,000). 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

	Year ended 31 December 2007	14 months ended 31 December 2006
Basic loss per share		
Reported loss (£000)	(408)	(297)
Reported loss per share (pence)	(0 14)	(0 13)

	Year ended 31 December 2007 No	14 months ended 31 December 2006 No
Weighted average number of ordinary shares		
Opening balance	279,899,089	200,759,180
Effect of share placing June 2007	6,298,630	—
Effect of share warrants exercised during year	15,349	—
Effect of Crimson Tide plc shares post-reverse acquisition	—	23,105,112
Effect of shares issued in acquisition of Crimson Tide (IE) Ltd	—	225,352
Weighted average number of ordinary shares	286,213,068	224,089,644

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 2006	791	72	863
Additions			
Contingent consideration adjustment IDL acquisition	197	—	197
At 31 December 2007	988	72	1,060
Impairment and amortisation			
At 31 December 2006	(98)	(33)	(131)
Charge for year	(30)	(10)	(40)
At 31 December 2007	(128)	(43)	(171)
Carrying amount			
At 31 December 2007	860	29	889
At 31 December 2006	693	39	732

8 Equipment, fixtures and fittings

Group	Office and computer equipment £000	Fixtures and fittings £000	Motor Vehicles £000	Total £000
Cost				
At 31 December 2006	30	12	8	50
Additions	12	—	2	14
Disposals	(12)	—	—	(12)
At 31 December 2007	30	12	10	52
Depreciation				
At 31 December 2006	(19)	(6)	—	(25)
Charge for year	(5)	(1)	(4)	(10)
Disposals	12	—	—	12
At 31 December 2007	(12)	(7)	(4)	(23)
Carrying amount				
At 31 December 2007	18	5	6	29
At 31 December 2006	11	6	8	25

Included within the net book value of £29,000 is £19,000 (2006 £14,000) 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 £4,000 (2006 £2,000).

26 Notes to the Consolidated Financial Statements

continued

8 Equipment, fixtures and fittings (continued)

Company	Fixtures and fittings £000	Total £000
Cost		
At 1 January 2007	17	17
Additions	—	—
Disposals	—	—
At 31 December 2007	17	17
Depreciation		
At 1 January 2007	(17)	(17)
Charge for year	—	—
Disposals	—	—
At 31 December 2007	(17)	(17)
Carrying amount		
At 31 December 2007	—	—
At 31 December 2006	—	—

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 2007. 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
A Cohen & Co Limited	Non-trading	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 1 January 2007	5,160	386	5,546
Additions	133	—	133
At 31 December 2007	5,293	386	5,679
Provisions			
At 1 January 2007	1,929	386	2,315
Impairment	—	—	—
At 31 December 2007	1,929	386	2,315
Carrying amount			
At 31 December 2007	3,364	—	3,364
At 31 December 2006	3,231	—	3,231

10 Trade and other receivables

	As at 31 December 2007 £000	As at 31 December 2006 £000
Group		
Trade receivables	244	315
Other receivables	3	9
Prepayments and accrued income	136	90
	383	414
	As at 31 December 2007 £000	As at 31 December 2006 £000
Company		
Amounts recoverable from Group undertakings	541	154
Other receivables	2	38
Prepayments and accrued income	12	7
	555	199

28 Notes to the Consolidated Financial Statements

continued

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 2007 £000	As at 31 December 2006 £000
Authorised		
Ordinary shares 411,950,842 shares of 1p each (2006 411,950,842 shares of 1p each)	4,120	4,120
Deferred shares 15,160,482 shares of 19p each	2,880	2,880
	7,000	7,000
Issued, called up and fully paid		
Ordinary shares 290,940,440 shares of 1p each (2006 279,885,200 shares of 1p each)	2,910	2,799
Deferred shares 15,160,482 shares of 19p each	2,880	2,880
	5,790	5,679

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 2007 over 1p ordinary shares in the Company are summarised below.

Date of Grant	Exercise Price	Expiry Date	Number Issued	Number outstanding 31 December 2006	Exercised in period	Number outstanding 31 December 2007
22 August 2006	1 5p	22 August 2009	22,574,048	22,569,824	41,351	22,528,473

Share options

On 5 February 2007 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 2007 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 2007
5 February 2007	2 5p	1 5p	5 February 2017	11,000,000	—	11,000,000

13 Reserves

Group	Capital redemption reserve £000	Share premium £000	Other Reserves £000	Reverse acquisition reserve £000	Retained earnings £000
Balance as at 1 November 2005	49	2	386	(2,460)	(866)
Loss for the period	—	—	—	—	(297)
Proceeds from new shares issued during the year	—	(63)	—	—	—
Shares issued on acquisition of IDL	—	44	—	—	—
IFRS 3 reverse acquisition conversion	—	933	71	(2,784)	—
Balance as at 31 December 2006	49	916	457	(5,244)	(1,163)
Loss for the year	—	—	—	—	(408)
Proceeds from new shares issued during the year	—	96	—	—	—
Proceeds from warrants exercised during the year	—	—	—	—	—
Shares to be issued for 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)

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
As at 1 January 2006	49	2	252	(3,432)
Premium on placing shares issued	—	300	—	—
Premium on shares issued on acquisition of Crimson Tide Limited	—	1,003	—	—
Premium on shares issued on acquisition of IDL	—	60	—	—
Expenses incurred from new shares issued in year	—	(379)	—	—
Fair value of warrants issued with shares	—	(71)	71	—
Total recognised income and expense	—	—	—	(5)
As at 31 December 2006	49	915	323	(3,437)
Loss for the year	—	—	—	(103)
Proceeds from new shares issued during the year	—	96	—	—
Proceeds from warrants exercised during the year	—	—	—	—
Shares to be issued for acquisition of IDL	—	—	60	—
Additional costs for acquisition of IDL	—	(5)	—	—
Balance as at 31 December 2007	49	1,006	383	(3,540)

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

30 Notes to the Consolidated Financial Statements

continued

14 Creditors Amounts falling due within one year

	As at 31 December 2007 £000	As at 31 December 2006 £000
Group		
Bank loans	78	72
Bank overdraft	—	23
Trade creditors	391	355
PAYE and social security	32	18
VAT	45	—
Finance lease agreements	17	16
Directors' current account	18	20
Other creditors	2	6
Accruals and deferred income	279	252
	862	762

	As at 31 December 2007 £000	As at 31 December 2006 £000
Company		
Bank loans	39	34
Trade creditors	31	39
Amounts owed to Group undertakings	69	13
Other creditors and accruals	41	34
	180	120

15 Creditors Amounts falling due after more than one year

	As at 31 December 2007 £000	As at 31 December 2006 £000
Group		
Bank loans	102	136
Finance lease agreements	—	—
	102	136

	As at 31 December 2007 £000	As at 31 December 2006 £000
Company		
Bank loans	102	136
	102	136

Maturity of debt

	As at 31 December 2007 £000	As at 31 December 2006 £000
Group		
The bank debt and finance leases are repayable as follows		
Within one year	95	110
Between one and two years	34	34
Between two and five years	68	102
	197	246

	As at 31 December 2007 £000	As at 31 December 2006 £000
Company		
The bank debt and finance leases are repayable as follows		
Within one year	39	—
Between one and two years	34	34
Between two and five years	68	102
	141	136

32 Notes to the Consolidated Financial Statements

continued

16 Operating lease commitments

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

	As at 31 December 2007 £000	As at 31 December 2006 £000
Group		
Operating leases which expire		
Within 1 year	—	—
Within 2 – 5 years	34	39
	34	39

17 Financial Risk Management

The Group uses a limited number of financial instruments, comprising cash, short-term deposits, bank loans and 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

The Company was under the control of Mr B R J Whipp throughout part of the previous year. Mr Whipp is the Executive Chairman and largest shareholder.

Other than the Director's current account (for 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 £102,605 (period to 31 December 2006: £5,037).

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

	Year ended 31 December 2007 £000	Year ended 31 December 2006 £000
Group		
Financial Assets		
Cash at bank and in hand	175	394
Maturing		
On demand	175	394
Financial Liabilities		
Bank Loans — floating rate	180	230

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.

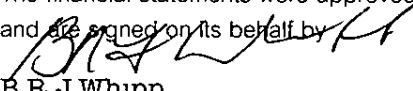
21 Post-balance sheet events

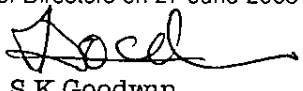
- At a General Meeting held on 25 April 2008, shareholders approved an increase to the authorised ordinary share capital from £4,119,508 to £7,119,508 taking the total authorised share capital to £10,000,000.
- The Company issued by way of a placing 24,820,513 new ordinary shares of 1p at 1.21875p each raising approximately £300,000 before expenses to be used to continue to develop the business. The shares were admitted to AIM on 29 April 2008.

34 Company Balance Sheet at 31 December 2007

	Notes	As at 31 December 2007 £000	As at 31 December 2006 £000
Assets			
Tangible assets	8	—	—
Investments	9	3,364	3,231
Total non-current assets		3,364	3,231
Trade and other receivables	10	555	199
Cash and cash equivalents	11	51	355
Total current assets		606	554
Total assets		3,970	3,785
Equity and liabilities			
Issued capital	12	5,790	5,679
Capital redemption reserve	13	49	49
Share premium	13	1,006	915
Other reserves	13	383	323
Retained earnings	13	(3,540)	(3,437)
Total equity		3,688	3,529
Creditors			
Amounts falling due within one year	14	180	120
Creditors			
Amounts falling due after more than one year	15	102	136
Total liabilities		282	256
Total equity and liabilities		3,970	3,785

The financial statements were approved by the Board of Directors on 27 June 2008
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 2007

35

	Year ended 31 December 2007 £000	Year ended 31 December 2006 £000
Loss after tax for the year being total recognised income and expense for the year	(103)	(5)
Issue of share capital	201	3,632
Share capital to be issued	60	—
Total changes in equity	158	3,627

36 Company Statement of Cash Flows

For the year ended 31 December 2007

	Year ended 31 December 2007 £000	Year ended 31 December 2006 £000
Operating cash flows before movements in working capital and provisions	(101)	(5)
Increase in trade and other receivables	(356)	(18)
Increase in trade and other payables	38	4
Decrease in provisions	—	(82)
Income taxes paid	—	—
Cash generated by working capital	—	(265)
Net cash used in operating activities	(419)	(270)
Cash flow from investing activities		
Acquisition of subsidiaries	(60)	(120)
Proceeds on sale of investments	—	50
Interest received	10	—
Net cash used in investing activities	(50)	(70)
Cash flow from financing activities		
Net proceeds on issue of shares	206	521
Interest paid	(12)	—
Net (decrease)/increase in borrowings	(29)	170
Net cash from financing activities	165	691
Net increase/(decrease) in cash and cash equivalents	(304)	350
Net cash and cash equivalents at beginning of period	355	5
Net cash and cash equivalents at end of period	51	355
Analysis of net funds		
Cash and cash equivalents	51	355
Bank overdraft	—	—
	51	355
Other borrowings due within one year	(38)	(34)
Borrowings due after one year	(102)	(136)
Net (debt)/funds	(90)	185

Officers and Professional Advisers

for the year ended 31 December 2007

37

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.crimsonstide.co.uk

38 Notice of 2008 Annual General Meeting

Notice is hereby given that the 2008 Annual General Meeting of Crimson Tide plc will be convened at IAF Securities, 117 Jermyn Street, London SW1Y 6HH on 23 July 2008 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 or special resolution as indicated

Ordinary Resolutions

- 1 To receive the report and accounts of the Company for the period ended 31 December 2007
- 2 To reappoint Messrs Shipleys LLP as Auditor and authorise the Directors to fix their remuneration
- 3 To reappoint Barrie Reginald John Whipp as a Director of the Company
- 4 To reappoint Stephen Keith Goodwin as a Director of the Company

Special Resolution

That, without prejudice to any other permitted method of communication, the Company may give any notice to a member by electronic mail to an address notified by the shareholder in writing or via a website the address of which shall be notified to the member in writing. Any notice or other document sent by electronic mail shall be deemed as being delivered at the time it was sent. Any notice or other document sent by a website shall be deemed as being delivered when the material received (or is deemed to have received) notice of the fact that the material was available on the website

By order of the Board

Stephen Goodwin
Company Secretary

Registered Office
10 Orange Street
London WC2H 7DQ
30 June 2008

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

39

Crimson Tide plc
("Crimson Tide" or "the Company")

Annual General Meeting on 23 July 2008 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 General Meeting of Crimson Tide plc to be held on 23 July 2008 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 BRJ Whipp as director			
4 To re-appoint SK Goodwin as director			
5 To approve electronic communication			

Signature

Date

Notes on completion

- 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.
- 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.
- 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.
- 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.
- 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 21 July 2008 at 11.00 am.
 If your shares are held through CREST, you may use the CREST electronic proxy appointment service.
- 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.
- 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.
- 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).
- 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.
- A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, a proxy may vote or abstain from voting at his or her discretion. A proxy may vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Second fold

PLEASE
AFFIX
STAMP
HERE

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

First fold

Third fold
and tuck in flap opposite

Crimson Tide plc

Registered in England No 0113845

Our registered office:

10 Orange Street, London, WC2H 7DQ

Tunbridge Wells 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

Dublin 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

www.crimsontide.co.uk