Crimsonwing plc

Annual report and financial statements
31 March 2012

Registered number: C 42234

Contents

Crimsonwing plc

Directors, officer and other information

Directors:	James Bonello Philip Crawford Albert Muscat David Walsh Joseph Grioli
Secretary:	Louis de Gabriele
Registered office:	Lignum House, Aldo Moro Road, Marsa, Malta.
Country of incorporation:	Malta
Company registration number:	C 42234
Auditor:	Deloitte Audit Limited, Deloitte Place, Mriehel By-pass, Mriehel, Malta.

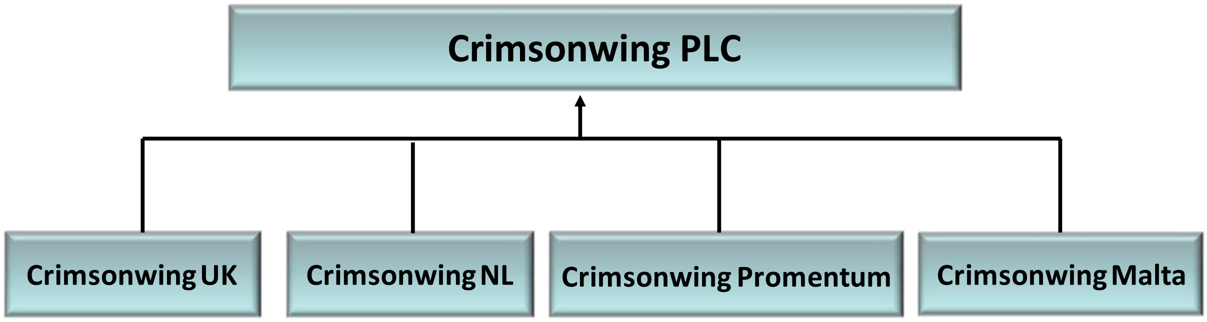
Crimsonwing plc

Directors' report
Year ended 31 March 2012

The directors have pleasure in submitting their Crimsonwing plc report, together with the audited financial statements and auditor's report of Crimsonwing plc for the year ended 31 March 2012.

Principal Activities

Crimsonwing plc is the Holding Company of Crimsonwing Limited, Crimsonwing (Malta) Limited, Crimsonwing BV, VDA Informatiebeheersing BV (acquired in July 2008), and is majority shareholder (51%) in Crimsonwing Promentum Holdings BV. It is incorporated in Malta under the company registration number C42234. The Crimsonwing BV and VDA businesses operate as 'Crimsonwing NL'. The company organisation is as follows:



The principal Company activities are the provision of computer software and professional services, mainly to clients based in Western Europe, notably the UK, The Netherlands and Malta, but also internationally outside Europe including as far as Australia. The Company has a number of solution software assets (products) which are relevant to markets beyond Europe.

The Crimsonwing businesses are aligned to deliver projects and solutions in three principle solution areas: Ecommerce, Enterprise Resource Planning (ERP), and Custom/Integration activities. Additionally Crimsonwing Promentum is also a Certified Learning Centre for Microsoft Dynamics (ERP).

The headcount of the Crimsonwing plc Group companies is just over 230 staff, of which around 150 are based in the Crimsonwing (Malta) solution centre which supports the delivery and support of Crimsonwing projects and solutions in the target markets. Crimsonwing (Malta) also has a very active Research & Development capability and provides Crimsonwing clients with post implementation support services, and is supporting business systems for clients, 24 hours per day, and in some cases on a global basis.

All Crimsonwing subsidiaries are 100% owned apart from Crimsonwing Promentum which is majority owned. There is a post reporting period event (see note 27 to the Accounts) detailing a conditional agreement to acquire the full 100% issued share capital of this subsidiary.

Performance Review

Overview

These consolidated financial statements cover all Crimsonwing subsidiaries including Crimsonwing (Malta) Limited, Crimsonwing Limited, Crimsonwing BV, VDA Informatiebeheersing BV, and Crimsonwing Promentum Holdings BV.

Crimsonwing plc

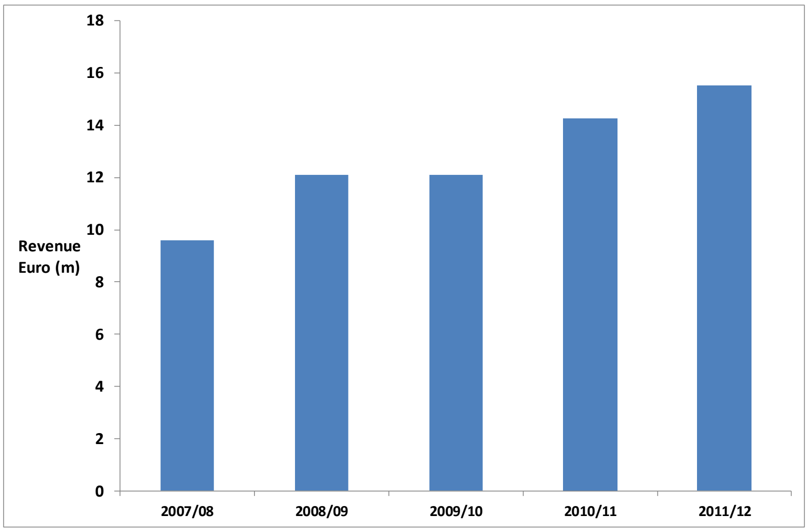
Directors' report (continued)
Year ended 31 March 2012

During the period April 2011 to March 2012 the market conditions have not improved over the previous year. The recovery has been weak in both the UK and The Netherlands, and competition for business has been intense.

Nevertheless, Crimsonwing again achieved revenue growth in the period, recording its highest ever revenues at €15,150,158, that is 6% higher than last year (2011 - €14,303,568). That is reasonable organic growth given the tough market conditions.

Crimsonwing solutions are targeted towards Enterprise level clients, many of whom have international dimensions and require resilient and around the clock support. Additionally our partner vendors are streamlining their partner networks and looking to consolidate their marketing efforts with larger partners. As a result the scale and reach of our operations and commensurate revenue achievements are a fundamental measure of our positioning with both our clients and our vendor partners. We remain committed to breaking into the €20 million sales level as soon as we are able, and which we feel we can achieve through organic growth.

Progress in the last few years is shown in the chart below:



At the net level, however, Crimsonwing did not fare so well this year. Loss for the year before tax was (€207,346) (2011 – a profit before tax of €217,572) and losses after tax are (€459,801) (2011 – a profit after tax of €7,310).

In terms of like for like comparisons it is worth noting that there are some exceptional items that have impacted the performance in the year just ended. These items total around (€266,000) of negative adjustments, and include a provision for bad debt in Crimsonwing Malta (€71,865), an additional settlement allocation of (€55,250) at VDA relating to a legal claim running since 2007, and an additional VDA software write-off of (€62,319). These together with other adjustments total (€266,480) and have impacted the net performance accordingly.

Additionally we could not reduce the overheads quickly enough in the VDA business (see sector report) with too many staff costs attached to the projects and services. As a result of this and the adjustments the overall direct costs increased to 63% of revenues (2011 – 59%), and overall the gross margin reduced to 37% of revenues (2011 – 41%).

Administration expenses were improved at 35% of revenues (2011 – 36%).

But the overall gross margin, after adjustments has been the major factor affecting net performance. As a result the overall EBITDA fell to €347,093 (2011 – €746,596) which followed on to give a negative impact on the profit (loss) position in the full year.

This was a disappointing outcome. However the Directors took the necessary action during the year to resize the VDA business and also continued to invest in maintaining skillsets, enhancing products, building new client relationships and contracting projects which will deliver good outcomes in future years.

Sector Reporting

Overall, other than Crimsonwing NL, (BV and VDA) there was solid performance in the remaining Crimsonwing businesses (see table of EBITDA comparisons below).

	2012	2011
	EBITDA	EBITDA
Crimsonwing Ltd (UK)	€144,176	€164,372
Crimsonwing (Malta) Ltd *	€510,590	€840,834
Crimsonwing Promentum BV	€339,378	€359,048
Crimsonwing NL (BV and VDA)	(€647,051)	(€617,658)
Overall	**€347,093**	**€746,596**

** EBITDA figures for Malta include Crimsonwing PLC overheads.*

Crimsonwing Ltd (UK) – This business runs as three main units in the UK and had a solid year. Revenues were flat at €7,337,022 (2011 - €7,385,099) which was a good performance relative to the UK market economy. EBITDA was similarly flat at €144,176 (2011 - €164,372).

Investments continued to be made in both the eCommerce and the Dynamics practices with new consultants taken on board. During the year we won a major global roll-out eCommerce project with a FTSE 100 client and we fully expensed the sales and initial project work during the period. We also won a major international Dynamics project to support a European operation as well as several significant UK clients.

The UK overheads will drop in the new financial year. Derek Linney, our Solutions Director, announced his retirement at the end of the financial year, and there is no plan to have a direct replacement as the Solution sets are fully up and running in the countries with solution leaders embedded in the business. We would like to take this opportunity to thank Derek for his enormous contribution to Crimsonwing over the last 12 years.

Crimsonwing (Malta) Ltd – This was a reasonable sales year for this business with revenues of €6,354,843 (2011 – €6,120,087). Actually sales to support Crimsonwing Ltd (UK) were down somewhat on last year by around €540,000, but this was more than compensated by a healthy increase in direct sales (mainly in the Malta local market) which leapt to €1,497,940 (2011 – €810,296)

However the EBITDA achieved was below par when compared with the previous year at €510,590 (2011 - €840,834). The EBITDA was negatively impacted by a bad debt provision of (€71,865) but also there were significant non-chargeable activities during the year which also played a part. There were substantial efforts applied for international tendering, and as previously recorded there were some fully expensed activities on a new global ecommerce project.

It is also fair to say that attrition became a concern during the year, although it is now stabilised. We have been able to recruit the necessary replacements but of course the productivity is effected due to training and handover periods which impact chargeable activities and hence ultimately the EBITDA that can be achieved. It should be noted that the main factor in attrition is the impact of the i-gaming industry which is offering remuneration packages well above the industry norm for the Malta market.

Crimsonwing NL (Crimsonwing BV and VDA BV) – This was again a very difficult year for this business unit which resulted in a negative EBITDA of (€647,051) (2011 - (€617,658)). Note that the EBITDA for the year do include some additional negative adjustments previously mentioned of (€117,569). Hence a slightly less worse result than the previous year on a like for like basis.

The basic problem with the business was not sales: these held at revenues of €1,799,363 (2011 – €1,944,189). The problem was the office overheads, carrying too many staff and high administration costs. We had been unable to cross train the surplus staff, and achieve a productive outcome, and reluctantly it was concluded early in the financial year that the business would require a downsizing of project and administration staff. The process started in May 2011 and we obtained the necessary approvals from the Dutch Government Labour Body UWV (Uitvoeringsinstituut Werknemersverzekeringen) in October 2011. We were finally able match the headcount we needed against the available client contracts. It is clear that we underestimated just how long it would take to work through to the benefits of this structural change. But Crimsonwing fulfilled fully its obligations to the affected staff such that the financial benefits accruing only started to materialise in the closing moments of the financial period, partly in February and then fully in March 2012.

Combined with the above action we have also been able to re-negotiate the office lease costs, and together with the staff savings this will result in annualised savings of over €750,000 per year. These savings will apply for the full year in the new financial period.

An interesting point to note is that VDA support and service contracts were all renewed during the year and our clients felt that we have done what we needed to do and had been careful not to impact the service to them.

There are some excellent and loyal clients in this business and the media ERP and eCommerce units are actually very active. The unit is now in very good shape to move forward in the new financial year, and there is full integration with Crimsonwing Promentum planned in this new period.

Crimsonwing Promentum BV – This was a rather mixed year for Promentum. A very good underlying sales performance but combined with some heavy investments in installing new product solutions resulting in a brake on the net gains during the year. Revenues were up nearly 14% to €4,511,629 (2011 - €3,965,381), but EBITDA remained around level at €339,378 (2011 - €359,048). As well as challenges implementing the first client releases of new products, the business also heavily invested in developing these assets, although the costs of these were largely capitalised and did not affect the overall net performance.

In all business areas it is clear that the decision to collaborate more with partners started to pay-off. Especially the relationship with Microsoft and Intershop was more intense and resulted in some interesting customer cases. In the area of Media & Entertainment, the collaboration with Arvato (the ICT company of Bertelsmann, Germany) resulted in a much better position with our existing customers in the Broadcasting industry. A new, fresh start and our clear future vision were welcomed by our existing customer base in this industry.

Note that the plan for the new financial year is to combine all Dutch subsidiaries reporting into one entity – Crimsonwing NL under one Managing Director, Aad de Jonge. The segment reporting will in future be by country: UK, The Netherlands and Malta.

Key Risks and Risk Mitigation

We are growing in a demanding market, and we are winning projects which are international, complex and large in nature.

Our key risks are:

1. **Retaining our Key Staff**. Competition for good staff is strong and our technical skillsets are in demand. Crimsonwing has always built net new consultants into the marketplace, but we are potentially vulnerable to aggressive entrants. On the whole we have lived with this for a number of years, but we will be looking to strengthen our staff loyalty programs and provide exciting career opportunities.

2. **Demanding Vendors**. Our vendors are also keen to see their partners grow in capability and commitment. Our main vendors, Microsoft, Oracle, Magento and Intershop are all demanding we keep abreast of the latest product releases and judge our competencies and accreditations very accurately. We will continue to work with these vendors, and have appointed a partner manager to help co-ordinate the myriad of demands. We intend to maintain the highest partner levels with our vendors.

3. **Providing a True Global Service**. Our strategic wins will mean that we will have a fully manned 7 by 24 hour operation to support our clients in Europe, Australasia and China. This is an investment, and we have acted to strengthen both our service management and toolsets to assist.

4. **New Technologies.** These are abounding fast, and the uptake of mobile applications and Cloud services means we have to adopt new development and deployment skills and service offerings. The good news is that we have delivered and are engaging in real client projects with these new technologies and are seeing many new opportunities to exploit our capabilities.

Outlook

The Directors believe that the following key initiatives in the year ahead to March 2013 will help grow and sustain shareholder value:

1. **Profit Growth –** We have all our business units in very good shape, and with an excellent business pipeline. Although we are anticipating further revenue growth we will ensure we keep our investments inline and drive up our profitability.

2. **ISV** – We have Intellectual Property in Crimsonwing software assets, and we can build channels to market outside our current presence to bring our solutions to a wider market. The assets are planned to move into an ISV structure (independent software vendor). That is to say that we will consolidate our product development into one ISV setup and location (probably in Malta) and with dedicated resources to help free the existing teams to service the project engagements.

Dividends

The Board of Directors are not recommending the payment of a final dividend.

Directors

The Directors who served during the period were:

James Bonello
Philip Crawford
Joseph Grioli
Albert Muscat
David Walsh

In accordance with the company's articles of association all the directors are to remain in office.

Auditors

A resolution to reappoint Deloitte Audit Limited as auditor of the company will be proposed at the forthcoming annual general meeting.

Approved by the board of directors and signed on its behalf on 24 July 2012 by:

David Walsh
Director

James Bonello
Director

Crimsonwing plc

Directors’ responsibility for the financial statements

The directors of Crimsonwing plc are required by the Companies Act (Chap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the Company and its Group at the end of each financial year and of the profit or loss of the Company and its Group for the year then ended. In preparing the financial statements, the directors should:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company and the Group will continue in business as a going concern.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and the Group and which enable the directors to ensure that the financial statements comply with the Companies Act (Chap. 386). This responsibility includes designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Crimsonwing plc

Statement of the Directors pursuant to the Listing Rules issued by the Listing Authority

We confirm that to the best of our knowledge:

1. the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU and in accordance with the requirements of the Companies Act (Chap. 386), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

2. the Directors' report includes a fair review of the performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Approved by the Board of Directors on 24 July 2012 and signed on its behalf by:

David Walsh
Director

James Bonello
Director

Crimsonwing plc

Corporate Governance – statement of compliance

1. Introduction

Pursuant to the Malta Financial Services Authority Listing Rules issued by the Listing Authority, Crimsonwing plc ("the **Company**") as a company whose equity securities are listed on a regulated market should endeavour to adopt the Code of Principles of Good Corporate Governance contained in Appendix 5.1 of the Listing Rules (the "**Code**"). In terms of Listing Rule 5.94, the Company hereby reports on the extent of its adoption of the principles of the Code for the financial year being reported upon.

The Company acknowledges that the Code does not dictate or prescribe mandatory rules, but recommends principles of good practice. However, the directors strongly believe that such practices are generally in the best interests of the Company and its shareholders and that compliance with the principles of good corporate governance is not only expected by investors but also evidences the directors' and the Company's commitment to a high standard of governance.

The board of directors of the Company ("the **Board**") has carried out a review of the Company's compliance with the Code for the financial year being reported upon.

2. General

The Company is a holding company and does not itself carry on any trading activities. It owns a number of subsidiaries which together form the Crimsonwing Group (hereinafter the **"Group")** and it is those subsidiaries that carry on trading activities.

The Company's governance principally lies in its Board of Directors, responsible for the overall setting of the Group's policies and business strategies. On the other hand, the Subsidiaries' governance structures are composed of two principal organs: the body composed of the persons responsible for each division of the Group as well as the Chief Executive Officer of the Group, the **"Executive Board".** Furthermore each Subsidiary is run by its board of directors.

The Company has adopted a corporate decision-making and supervisory structure that is tailored to suit the Group's requirements and designed to ensure the existence of adequate checks and balances within the Group, whilst retaining an element of flexibility essential to allow the Group to react promptly and efficiently to the dictates of its business and the economic conditions in which it operates. The Directors are of the view that there can be no blue print for good corporate governance in that corporate governance is a generic term that describes the measures taken by the Company to ensure its proper direction and management of its business. Accordingly, the structures that may be required within the context of large multi-nationals are not necessarily and objectively the best structures for companies whose size and/or business dictate otherwise. It is in this context that the directors have adopted corporate governance structures within the Company that are dictated by its particular demands and which are designed to suit the Company, its business and its size whilst still ensuring proper checks and balances.

In general the Directors believe that the Company has adopted appropriate structures to achieve an adequate level of good corporate governance, together with an adequate system of checks and balances in line with the Company's requirements.

This corporate governance statement (the "**Statement**") will now set out the structures and processes in place within the Group and how these effectively achieve the goals set out by the Code. For this purpose this Statement will make reference to the pertinent principles and then set out the manners in which the directors believe that these have been adhered to. Where the Company has not complied with any of the principles of the Code, this Statement will give an explanation for non-compliance.

For the avoidance of doubt, reference in this Statement to compliance with the principles of the Code means compliance with the Code's main principles and the Code Provisions.

3. Compliance with the Code

Principles One to Five

These principles deal fundamentally with the role of the Board and of the directors.

The directors believe that for the period under review the Company has generally complied with the requirements of each of these principles.

Principle One

The Board of directors has throughout the period under review provided the necessary leadership in the overall direction of the Company and has adopted systems whereby it obtains timely information from the Chief Executive Officer (the "**CEO**") as the head of the Executive Board to ensure an open dialogue between the CEO and directors at regular intervals and not only at meetings of the Board. During the year under review the level of communication between Executive Management and the directors has improved through electronic communications of executive decisions and discussions.

Principle Two

In line with the requirements of Principle Two, the Company has segregated the functions of the CEO and the chairman. Whilst the CEO heads the Executive Board, the chairman's main function is that of leading the board, in line with Code Provision 2.2.

The CEO is the person accountable to the Board of the Company for the business operations of the Subsidiaries. He has the power and authority to appoint the persons to fill in the post of each member of the Executive Board. He also has the discretion to ask any one or more of such members to, from time to time, address the Board of the Company on matters relating to the operations of the Subsidiaries. The Board of the Company is entitled to call in at its discretion any one or more of the members of the Executive Board.

Principle Three

The Board's composition, in line with Principle Three is of three independent non-executive directors and two executive directors. The non-executive directors of the Company are Mr. Albert Muscat, Mr Philip Crawford and Mr Joseph Grioli whereas the executive directors of the Company are Mr James Bonello and Mr David Walsh. Pursuant to generally accepted practices, as well as the Company's Articles of Association, the appointment of Directors to the Board is reserved exclusively to the Company's shareholders, except in so far as an appointment is made to fill a vacancy on the Board.

Board meetings concentrate mainly on strategy, operational performance and financial performance. The Board also delegates specific responsibilities to the CEO and the Committees, notably the Executive and the Audit Committees which operate under their respective formal terms of reference. The Board considers each non-executive director to be independent in line with the dictates of Code Provision 3.2. None of the non-executive directors:

(a) are or have been employed in any capacity by the Company or a Subsidiary;

(b) have or have had a significant business relationship with the Company, whether directly or indirectly;

(c) receive significant additional remuneration from the Company;

(d) have close family ties with any of the executive members of the Board or senior employees;

(e) have served on the Board for more than twelve consecutive years;

(f) have been within the last three years an engagement partner or a member of the audit team of the present or past external auditor of the Company or any Company forming part of the same group; and

Each of the non-executive directors has signed a declaration to the Company as required by Code provision 3.4, whereby each director has undertaken:

(i) to maintain in all circumstances his independence of analysis, decision and action;

(ii) not to seek or accept any unreasonable advantages that could be considered as compromising his independence; and

(iii) to clearly express his opposition in the event that he finds that a decision of the Board may harm the Company.

Principle Four

In terms of Principle Four it is the Board’s responsibility to ensure a system of accountability, monitoring, strategy formulation and policy development. Whilst these are matters which are reserved for the board to determine within the Group, the Board believes that this responsibility includes the appropriate delegation of powers to management and the organization of the Executive Board in a manner that is designed to provide high levels of comfort to the directors that there is proper monitoring and accountability apart from appropriate implementation of policy. The Board’s link to the executive team is principally the CEO, together with the other executive director on the Board, both of whom are members of the Executive Board.

The Executive Board comprises apart from the executive directors the heads of each business unit of the group and its role is that of policy execution, business development, finance, security, administrative and personnel matters, and makes recommendations to the Board on matters which are beyond its remit. Mr David Walsh, CEO, chairs the Executive Board.

For the period under review the Executive Board was composed of:

David Walsh – Chief Executive Officer
Kenneth Lacy – Finance Director, Crimsonwing Ltd
Derek Linney – Solutions Director, Crimsonwing Ltd
James Bonello – Managing Director - Crimsonwing (Malta) Ltd.
Pierre Zammit – Operations Director for Crimsonwing (Malta) Ltd.
Aad de Jonge – Managing Director, Crimsonwing NL/Promentum
Jaap Schram De Jong – Director, Dynamics Solutions, Crimsonwing Ltd.
Tom Meehan – Director, E-Business & Custom Solutions, Crimsonwing Ltd.

Company Executives participate in periodic strategic reviews, which include consideration of long-term projections and the evaluation of business alternatives. Regular budgets and strategic plans are prepared, which are incorporated into a Company Strategic Plan. Performance against these plans is actively monitored and reported to the Board.

Principle Five

The Board believes that it complies fully with the requirements of Principle Five and the relative Code Provisions, in that notice of meetings together with any supporting material is given well in advance to shareholders.

Board meetings concentrate mainly on strategy, operational performance and financial performance. The Board normally meets every quarter. The Board established a guideline whereby at its first meeting, it scheduled meetings for the full year, with other meetings being called as and when the need of the business arises.

Principle Six
Principle Six of the Code deals with information and professional development

The Board believes that this principle has been duly complied with for the period under review.

The CEO is appointed by the directors and enjoys the full confidence of the board. The CEO, although responsible for the selection of the executive team and the recruitment of senior executives, consults with the directors on the appointment of senior executives. During the period under review the Board has discussed the establishment of schemes that are designed to render the group an attractive proposition for the retention of top executives within the Company and to motivate the executive team further.

The Board has already organised, for itself and executive team members an induction session that was aimed at providing directors and executives with a better understanding of the added responsibilities of being a publicly listed company and of the processes in place within the Group to ensure compliance with regulations. The Board intends to organise further sessions for directors and executives designed specifically to enable them to discharge their functions more efficiently and in line with the high standards expected of them.

Crimsonwing plc

Corporate Governance – statement of compliance (continued)

In compliance with Code Provision 6.3, directors have access to the advice and services of the Company Secretary who is legal counsel to the Board and the Company. Directors may, in the furtherance of their duties, take independent professional advice on any matter at the Company's expense.

Principle Seven

Principle 7 deals with an evaluation of the Board's performance.

Over the period under review it is the Board's view that all members of the Board, individually and collectively have contributed in line with the required levels of diligence and skill. In addition the Board believes that its current composition endows the Board with a cross-section of skills and experience, not only with respect to the specific business of the company, but also in having a director who has the necessary competence in accounting and another non-executive director who is a corporate lawyer. The combined skills of the directors provide a balance of skills and competences that add value of the functioning of the board and its direction of the Company.

Principle Eight

Principle Eight A of the Code deals with the establishment of a remuneration committee for the Company aimed at developing policies on executive remuneration. Principle 8B deals with the requirement of a formal and transparant procedure for the appointment of Directors

The directors have opted for a mixed approach of having both the nomination and remuneration committee being merged into one. In this respect, a Remuneration and Nominations Committee (the "**Remnomcom**") has been established. The Directors believe that certain committees or boards that are recommended in the Code are either not required at this stage by the Company or the functions of a number of committees may efficiently be merged. The directors believe that the merger of a nominations committee and the remuneration committee, in one committee, the Remnomcom should achieve the same results –particularly since the two committees are composed of the same non-executive directors.

In addition, the Board believes that its size and composition is sufficient for the proper direction and management of the Company and its business and that it there would be no value added to the Company and its shareholders to increase the number of Board members simply to be able to have separate committees of the Board – when the same functions can properly be undertaken by a merged committee consisting of the same non-executive directors.

For the financial year under review, the members of the Remnomcom were the following:

(i) Albert Muscat, Chairman, non-executive Director;

(ii) Philip Crawford, non-executive Director; and

(iii) Joseph Grioli, non-executive Director.

The dual role of the Remnomcom of the Company may be described as follows: In its function as remuneration committee the Remnomcom has the principal task of establishing remuneration policies for both non-executive and executive directors of the Group and particularly incentive based remuneration and share option plans. Moreover, the Remnomcom assesses and evaluates the performance of members of the Board, implementing remuneration policies on the basis of such performance. The Remnomcom also has the role of making recommendations to the Board on which candidates are suited, according to their skills, knowledge and experience, to form part of the Board.

The aggregate amount of remuneration paid to all executive and non-executive Directors of the Company, as authorised by the shareholders of the Company, was €354,688 which falls within the maximum approved by the shareholders of €2,000,000.

The Remnomcom met three (3) times in the financial year under review.

Principles Nine and Ten

These principles encourage the directors of issuers to foster good relations with their shareholders and that the Company communicates with the market in a timely manner.

The Board is of the view that over the period under review the Company has communicated effectively with the market through a number of company announcements that it published informing the market of significant events happening within the Company. The Board notes that the reaction of market participants to the Company's communication strategy of important events has been a very positive one.

The Company will soon be holding its fifth annual general meeting where the Board intends to communicate directly with shareholders on the performance of the Group over the last financial year and to inform shareholders of the challenges that lie ahead.

Business at the Company's Annual General Meeting (the "**AGM**") will cover the approval of the Annual Report and Audited Financial Statements, the declaration of a dividend, if any, the election of directors, the determination of the maximum aggregate emoluments that may be paid to directors, the appointment of auditors and the authorisation of the directors to set the auditors' remuneration.

Apart from the AGM, the Company intends to continue with its active communication strategy in the market and shall accordingly continue to communicate with its shareholders and the market by way of the Annual Report and Financial Statements, by publishing its results on a six-monthly basis during the year and through the directors statements published on a six-monthly basis, and by company announcements to the market in general. The Company recognises the importance of maintaining a dialogue with the market to ensure that its strategies and performance are well understood and disclosed to the market in a timely manner. The Company's website (www.crimsonwing.com) also contains information about the Company and its business which is a source of further information to the market.

Principle Eleven

This principle deals with conflicts of interests and the principle that directors should always act in the best interests of the Company.

The Board has established procedures on how conflicts are to be handled, if and when they arise. A director having a personal conflict on any matter is bound to inform the other members of the Board of such a conflict whether it is an actual, potential or a perceived conflict. It is then the other members that would decide on whether there exists such a conflict. In the event that, in the opinion of the Board such a conflict exists then the conflicted director is invited to leave to meeting and both the discussion on the matter and the vote, if any, on the matter concerned are conducted in the absence of the conflicted director. The Board feels that this is a procedure that achieves compliance with both the letter and the rationale of Principle Eleven.

Crimsonwing plc

Corporate Governance – statement of compliance (continued)

The following directors have declared the following interests in the share capital of the company:

Director	Total Shares
David Walsh	13,009,187
Philip Crawford	6,243,679
Pierre Zammit	106,600
Albert Muscat	100,000
Kees Brussen	100,000
James Bonello	90,000
Tom Meehan	48,000

Principle 12

Principle 12 encourages directors of listed companies to adhere to accepted principles of corporate social responsibility.

The directors are committed to high standards of ethical conduct and to contribute to the development of the well-being of employees and their families as well as the local community and society at large.

4. Non-compliance with Code Provisions

Code Provision	**Explanation**
2.1	Whilst the company has segregated the functions of the Chairman and the CEO, in that the two posts are occupied by different persons, the division of responsibilities between them has not been established in writing. Nevertheless, there is significant experience and practice that determines the two roles.
4.3	For the purposes of Code Provision 4.3, whilst the Board reports that for the year under review it has not organised any information sessions as required by this provision, during its meetings the Board regularly discusses the Company's operations and prospects, the skills and competence of senior management, the general business environment and the Board's expectations.

7.1	The size of the board is such that it should enable it to evaluate its own performance without the requirement of setting up an ad hoc committee for this purpose. Accordingly, the board is of the opinion that although such a committee may be necessary with respect to larger companies having a more complex set-up, the size of the Company and the board itself does not warrant the establishment of a special committee to evaluate its performance in terms of Code Provision 7.1. The board shall, however, retain this matter under review over the coming year.
9.3	The memorandum and articles of association does not provide any mechanism for the resolution of conflicts between shareholders or any process that would trigger arbitration in these instances.
8.B.4	The Board is satisfied that the current composition of the Board achieves the objectives of the Code and the skill, knowledge and experience needed meet the requirements of the Company. However, with respect to Code Provision 8.B.4, there is no written job specification for the Chairman. Moreover, none of the non-executive directors are issued with a letter of appointment.

5. Audit Committee

As part of its corporate governance structures the company has also established the Audit Committee in line with the requirements of the Listing Rules. Unlike the provisions of the Code which are not mandatory in nature, the directors acknowledge that the requirement of having an Audit Committee in place is an obligation under the Listing Rules. The principal role of the Audit Committee is the monitoring of internal systems and controls. During the course of the period under review the Board established the audit committee under formal terms of reference designed both to strengthen this function within the Company and to establish the scope of the duties and responsibilities of this Committee. The committee consists of the three non-executive directors, namely Philip Crawford, Joseph Grioli as its chairman and Albert Muscat, and Kenneth Lacy. The committee has the power and authority under its terms of reference to summon any person to assist it in the performance of its duties. The Directors believe that Albert Muscat is independent and competent in accounting and/or auditing in terms of Listing Rule 5.117. The Directors believe that Albert Muscat satisfies the independence criteria as he is independent within the meaning of the Code. Furthermore, Mr Muscat is competent in accounting/auditing given that he is a certified accountant and has had extensive experience in his profession.

6. Internal Control

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate risk to achieve business objectives, and can provide only reasonable, and not absolute, assurance against normal business risks or loss.

Through the Audit Committee, the Board reviews the effectiveness of the Company's system of internal controls, which are monitored by the Internal Auditors on a regular basis.

Crimsonwing plc

Corporate Governance – statement of compliance (continued)

The key features of the Company's system of internal control are as follows:

Organisation

The Company operates through the CEO and Executive Board with clear reporting lines and delegation of powers.

Control Environment

The Company is committed to the highest standards of business conduct and seeks to maintain these standards across all of its operations. Company policies and employee procedures are in place for the reporting and resolution of improper activities.

The Company has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve Company objectives.

Risk Identification

Company management is responsible for the identification and evaluation of key risks applicable to their respective areas of business.

In the period under review the Audit Committee has held four (4) meetings.

The Statement of Directors' Responsibilities for preparing the financial statements is set out on page 8.

Approved by the Board of Directors on 24 July 2012 and signed on its behalf by:

David Walsh
Director

James Bonello
Director

Crimsonwing plc

Independent auditor's report on the corporate governance statement of compliance

Pursuant to Listing Rules 5.94 and 5.97 issued by the Malta Financial Services Authority, the directors are required to include in their Annual Report a Statement of Compliance to the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance with these principles.

Our responsibility is laid down in Listing Rule 5.98, which requires us to include a report on the Statement of Compliance.

We read the Statement of Compliance and 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 included in the annual report.

We are not required to perform additional work necessary to, and we do not, express any opinion on the effectiveness of either the Company's system of internal control or its corporate governance procedures.

In our opinion, the Statement of Compliance, set out on pages 10 to 18 has been properly prepared in accordance with the requirements of Listing Rules 5.94 and 5.97.

Sarah Curmi, as Director
in the name and on behalf of,
DELOITTE AUDIT LIMITED
Registered auditor

24 July 2012

Crimsonwing plc

Statements of comprehensive income

For the Year ended 31 March 2012

	Notes	Group 2012 EUR	Group 2011 EUR	Company 2012 EUR	Company 2011 EUR
Revenue	5	**15,150,158**	14,303,568	-	-
Direct costs		**(9,546,010)**	(8,453,852)	-	-
Gross profit		**5,604,148**	5,849,716	**-**	-
Other income		**49,571**	116,667	-	-
Administrative expenses excluding depreciation and amortisation		**(5,306,626)**	(5,219,787)	**(108,328)**	(92,613)
EBITDA		**347,093**	746,596	**(108,328)**	(92,613)
Other administrative expenses depreciation and amortisation		**(460,304)**	(443,239)	-	-
Results from operating activities		**(113,211)**	303,357	**(108,328)**	(92,613)
Finance income	6	**1,002**	657	**150,002**	155,004
Finance expenses	7	**(95,137)**	(86,442)	**(56,900)**	(68,469)
Net finance (expense)/income		**(94,135)**	(85,785)	**93,102**	86,535
(Loss)/profit before income tax		**(207,346)**	217,572	**(15,226)**	(6,078)
Income tax expense	11	**(252,455)**	(210,262)	-	(1)
(Loss)/profit for the year		**(459,801)**	7,310	**(15,226)**	(6,079)
Other comprehensive income					
Exchange differences arising on translation of foreign operations		**(17,215)**	32,520	**-**	**-**
Total comprehensive (loss)/income		**(477,016)**	39,830	**(15,226)**	(6,079)
(Loss)/profit attributable to:					
Non-controlling interest		**73,258**	116,445	-	-
Equity holders of the parent		**(533,059)**	(109,135)	-	-
		(459,801)	7,310	-	-
Total comprehensive (loss)/income attributable to:					
Non-controlling interest		**73,258**	116,445	-	-
Equity holders of the parent		**(550,274)**	(76,615)	-	-
		(477,016)	39,830	**(15,226)**	(6,079)
Earnings per share	12	**(0.0205)**	(0.0042)		

Crimsonwing plc

Statements of financial position

As at 31 March 2012

	Notes	Group		Company	
		2012 EUR	2011 EUR	**2012 EUR**	2011 EUR
ASSETS					
Non-current assets					
Intangibles	*13*	**3,682,416**	3,609,775	**-**	-
Plant and equipment	*14*	**229,045**	216,904	**-**	-
Deferred tax assets	*15*	**440,055**	460,055	**-**	-
Investments in subsidiaries	*16*	**-**	-	**3,190,468**	3,211,468
		4,351,516	4,286,734	**3,190,468**	3,211,468
Current assets					
Trade and other receivables	*17*	**3,711,580**	3,135,850	**1,177,877**	2,335,883
Cash and cash equivalents	26	**331,720**	631,226	**132**	96
Current tax asset		**-**	-	**386**	387
		4,043,300	3,767,076	**1,178,395**	2,336,366
Total assets		**8,394,816**	8,053,810	**4,368,863**	5,547,834
EQUITY					
Equity attributable to equity holders of the parent					
Share capital	*21*	**2,600,000**	2,600,000	**2,600,000**	2,600,000
Share premium		**722,584**	722,584	**722,584**	722,584
Other reserves		**137,003**	154,218	**96,184**	96,184
Accumulated losses		**(987,203)**	(454,145)	**(53,871)**	(38,645)
		2,472,384	3,022,657	**3,364,897**	3,380,123
Non-controlling interest		**371,951**	298,693	**-**	-
Total equity		**2,844,335**	3,321,350	**3,364,897**	3,380,123
LIABILITIES					
Current liabilities					
Trade and other payables	*18*	**3,293,543**	2,917,993	**38,812**	178,525
Income tax payable		**396,940**	307,457	**-**	-
Other financial liabilities	*20*	**341,587**	324,121	**120,636**	1,057,140
Bank borrowings	*19*	**1,491,943**	832,087	**844,518**	607,786
		5,524,013	4,381,658	**1,003,966**	1,843,451
Non-current liabilities					
Bank borrowings	*19*	**-**	324,260	**-**	324,260
Deferred tax liability	*15*	**26,468**	26,542	**-**	-
Total liabilities		**5,550,481**	4,732,460	**1,003,966**	2,167,711
Total equity and liabilities		**8,394,816**	8,053,810	**4,368,863**	5,547,834

These financial statements were approved by the Board of Directors, authorised for issue on 24 July 2012 and signed on its behalf by:

David Walsh
Director

James Bonello
Director

Crimsonwing plc

Statements of changes in equity

For the Year ended 31 March 2012

Group

	Attributable to equity holders of the parent							
	Share capital EUR	Share premium EUR	Accumulated losses EUR	Reorganisation Reserve EUR	Translation reserve EUR	Total EUR	Non-controlling interest EUR	Total Equity EUR
Balance at 31 March 2010	**2,600,000**	**722,584**	**(345,010)**	**186,219**	**(64,521)**	**3,099,272**	**182,248**	**3,281,520**
Profit/(loss) for the year	-	-	(109,135)	-	-	**(109,135)**	116,445	**7,310**
Other comprehensive income for the year	-	-	-	-	32,520	**32,520**	-	**32,520**
Total comprehensive income for the year	-	-	(109,135)	-	32,520	**(76,615)**	116,445	**39,830**
Balance at 31 March 2011	**2,600,000**	**722,584**	**(454,145)**	**186,219**	**(32,001)**	**3,022,657**	**298,693**	**3,321,350**

Crimsonwing plc

Statements of changes in equity (continued)

For the Year ended 31 March 2012

Group

	Attributable to equity holders of the parent							
	Share capital EUR	**Share premium EUR**	**Accumulated losses EUR**	**Reorganisation Reserve EUR**	**Translation reserve EUR**	**Total EUR**	**Non-controlling Interest EUR**	**Total Equity EUR**
Balance at 31 March 2011	**2,600,000**	**722,584**	**(454,145)**	**186,219**	**(32,001)**	**3,022,657**	**298,693**	**3,321,350**
(Loss)/profit for the year	-	-	(533,059)	-	-	**(533,059)**	73,258	**(459,801)**
Other comprehensive loss for the year	-	-	-	-	(17,215)	**(17,215)**	-	**(17,215)**
Total comprehensive loss for the year	-	-	(533,059)	-	(17,215)	**(550,274)**	73,258	**(477,016)**
Balance at 31 March 2012	**2,600,000**	**722,584**	**(987,204)**	**186,219**	**(49,216)**	**2,472,384**	**371,951**	**2,844,335**

Crimsonwing plc

Statements of changes in equity (continued)

For the Year ended 31 March 2012

Company

	Share capital EUR	Share premium EUR	Other reserve EUR	Accumulated losses EUR	Total EUR
Balance at 31 March 2010	2,600,000	722,584	96,184	(32,566)	3,386,202
Loss for the year/total comprehensive loss for the year	-	-	-	(6,079)	(6,079)
Total recognised income and expense for the year	-	-	-	(6,079)	(6,079)
Balance at 31 March 2011	**2,600,000**	**722,584**	**96,184**	**(38,645)**	**3,380,123**
Loss for the year/total comprehensive loss for the year	-	-	-	(15,226)	(15,226)
Total recognised income and expense for the year	-	-	-	(15,226)	(15,226)
Balance at 31 March 2012	**2,600,000**	**722,584**	**96,184**	**(53,871)**	**3,364,897**

Crimsonwing plc

Statements of cash flows

For the Year ended 31 March 2012

	Note	Group		Company	
		2012	2011	**2012**	2011
		EUR	EUR	**EUR**	EUR
Cash flows from operating activities					
(Loss)/profit before tax		**(207,346)**	217,572	**(15,226)**	(6,078)
Adjustments for:					
Dividend income		**-**	-	**(150,002)**	(155,004)
Depreciation and amortisation		**460,304**	443,239	**-**	-
Loss on disposal/write-offs of assets		**167,342**	-	**-**	-
Net finance income		**94,135**	85,785	**56,900**	68,469
Operating profit before working capital movements		**514,435**	746,596	**(108,328)**	(92,613)
Movement in trade and other receivables		**(575,730)**	(306,752)	**-**	-
Movement in trade and other payables		**186,298**	228,102	**(139,712)**	(251,641)
Cash flows from operations		**125,003**	667,946	**(248,040)**	(344,254)
Interest paid		**(95,137)**	(86,442)	**(56,900)**	(68,469)
Income taxes paid		**-**	-	**-**	(388)
Net cash flows from operating activities		**29,866**	581,504	**(304,940)**	(413,111)
Cash flows from investing activities					
Purchase of plant and equipment		**(117,858)**	(109,933)	**-**	-
Purchase of intangibles		**(578,605)**	(287,176)	**21,000**	-
Interest received		**1,002**	657	**2**	4
Net cash flows from investing activities		**(695,461)**	(396,452)	**21,002**	4
Cash flows from financing activities					
Shareholders' loans		**17,466**	116,209	**-**	**-**
Proceeds from subsidiary undertaking		**-**	-	**371,502**	630,262
Advances to directors		**-**	(22,328)	**-**	-
Repayment of bank borrowings		**(331,465)**	45,623	**(331,465)**	(314,377)
Net cash flows from financing activities		**(313,999)**	139,504	**40,037**	315,885
Effect of exchange rate fluctuations on translation of cash flows of foreign operations		**13,027**	(31,106)	**-**	-
Net movement in cash and cash equivalents		**(966,567)**	293,450	**(243,901)**	(97,222)
Cash and cash equivalents at the beginning of the year		**159,139**	(134,311)	**(247,690)**	(150,468)
Cash and cash equivalents at the end of the year	*26*	**(807,428)**	159,139	**(491,591)**	(247,690)

1 Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs) and with the Companies Act (Chap. 386).

The preparation of financial statements in conformity with EU IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

International Financial Reporting Standards in issue but not yet effective

Certain new standards and amendments, revisions and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are not mandatory for the current accounting period.

The Company and the Group have not early adopted these new standards or these amendments, revisions and interpretations to existing standards.

IFRS 9 – Financial Instruments

IFRS 9 - Financial Instruments issued in November 2009 and amended in October 2010 introduces new requirements for the classification and measurement of financial assets and financial liabilities.

- IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Under IFRS 9, financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost unless the entity applies the fair value option. All other financial assets, including equity investments are measured at their fair values at the end of subsequent accounting periods.

- Under IFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or increase an accounting mismatch in profit or loss. Changes in the fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

Following an amendment in December 2011, IFRS 9 is effective for annual periods beginning on or after 1 January 2015, with earlier application permitted.

1 Basis of preparation (continued)

International Financial Reporting Standards in issue but not yet effective

IFRS 10 – Consolidated Financial Statements

IFRS 10 Consolidated Financial Statements builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. IFRS 10 introduces a single consolidation model for all entities based on control, irrespective of the nature of the investee (that is, whether an entity is controlled through voting rights of the investors or otherwise). IFRS 10 supersedes SIC-12 Consolidation—Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.

IFRS 10 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

IAS 27 – Separate Financial Statements

The revised IAS 27 was issued concurrently with IFRS 10. Together, the two IFRSs supersede IAS 27 Consolidated and Separate Financial Statements (as amended in 2008).

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 Disclosure of Interests in Other Entities addresses disclosure requirements for certain interests in other entities, including joint arrangements, associates, subsidiaries and unconsolidated structured entities. The objective of IFRS 12 is to require an entity to disclose information that enables users of its financial statements to evaluate

- the nature of, and risks associated with, its interests in other entities; and
- the effects of those interests on its financial position, financial performance and cash flows.

IFRS 12 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

Amendments to IAS 1 – Presentation of Items of Other Comprehensive Income

The amendments retain the option to present profit or loss and other comprehensive income in either a single comprehensive continuous statement or in two separate but consecutive statements. However, items of other comprehensive income are required to be grouped into those that will and will not subsequently be reclassified to profit or loss with tax on items of other comprehensive income required to be allocated on the same basis.

The amendments have been endorsed by the EU and are effective from 1 July 2012 and are to be applied on a full retrospective basis.

1 Basis of preparation (continued)

Amendments to IAS 32 and IFRS 7 - Offsetting Financial Assets and Financial Liabilities

These Amendments are intended to help investors and other financial statement users to better assess the effect or potential effect of offsetting arrangements on a company's financial position. The disclosure requirements also improve transparency in the reporting of how companies mitigate credit risk, including disclosure of related collateral pledged or received. The amendments to IAS 32 and IFRS 7 are applicable on 1 January 2014 and 1 January 2013 respectively.

The Group's Directors are assessing the potential impact, if any, of the above IFRSs on the financial statements of the Company and the Group in the period of initial application. Other than *Amendments to IAS 1*, these IFRS had not yet been endorsed by the EU at the date of authorisation of these financial statements.

The above list excludes International Financial Reporting Standards that are already in issue and that are expected not to be applicable.

2 Significant accounting policies

The significant accounting policies set out below have been applied consistently by Group entities to all periods presented in these financial statements.

Basis of consolidation

The financial statements incorporate the financial statements of Crimsonwing plc (the Company) and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights so as to obtain benefits from the entities' activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The consideration is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are recognised in the profit and loss as incurred, except for costs to issue debt or equity securities.

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired. Goodwill is measured as the excess of:

2 Significant accounting policies (continued)

Basis of consolidation (continued)

a. The aggregate of:
   i. the consideration transferred;
   ii. the amount of any non-controlling interest in the acquiree; and
   iii. in a business combination achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree.

b. The net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

Any gain on a bargain purchase, after reassessment, is recognised immediately in profit or loss.

Intra-group balances and transactions are eliminated in preparing the financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

A listing of the Group's principal subsidiaries is set out in Note 25.

Plant and equipment

Recognition and measurement

The Group's plant and equipment is classified into the following classes – computer equipment and furniture, fittings and other equipment. Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and are recognised net within "administrative expenses" in profit or loss.

Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. The estimated useful life of plant and equipment for the current and comparative period is on the following bases:

2 Significant accounting policies (continued)

Plant and equipment (continued)

Depreciation (continued)

Computer equipment	20 – 33.33%
Furniture, fittings and other equipment	33.33%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Intangible assets

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets are initially measured at cost. Expenditure on an intangible asset is recognised as an expense in the period when it is incurred unless it forms part of the cost of the asset that meets the recognition criteria.

The useful life of intangible assets is assessed to determine whether it is finite or indefinite. Intangible assets with a finite useful life are amortised. Amortisation is charged to profit or loss so as to write off the cost of intangible assets less any estimated residual value, over their estimated useful lives. The amortisation method applied, the residual value and the useful life are reviewed, and adjusted if appropriate, at each balance sheet date.

Intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

After initial recognition, each class of intangible assets is carried at cost less any accumulated amortisation and any accumulated impairment losses.

(i) Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from the company's development of software is recognised only if all of the following can be demonstrated:

- the technical feasibility, the availability of resources and the intention and ability of completing the asset so that it will be available for use or sale,
- how the asset will generate probable future economic benefits, and
- the ability to measure reliably the expenditure attributable to the asset during its development.

2 Significant accounting policies (continued)

Intangible assets (continued)

(i) Research and development costs (continued)

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred. After initial recognition, internally-generated intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally-generated intangible assets are amortised on a straight-line basis over their estimated useful lives from the date when they become available for use, which is generally assumed to be five to ten years.

(ii) Computer software

In determining the classification of an asset that incorporates both intangible and tangible elements, judgement is used in assessing which element is more significant. Computer software which is an integral part of the related hardware is classified as property, plant and equipment and accounted for in accordance with the company's accounting policy on property, plant and equipment. Where the software is not an integral part of the related hardware, this is classified as an intangible asset and carried at cost less any accumulated amortisation and any accumulated impairment losses. Computer software classified as an intangible asset is amortised on a straight-line basis over five to ten years.

Investments in subsidiaries

Investments in subsidiaries are accounted for on the basis of the direct equity interest and are stated at cost less any accumulated impairment losses. Income from the investment is recognised in the statement of comprehensive income only to the extent of distributions received by the company.

Non-controlling interests

Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on an acquisition-by-acquisition basis. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required. After initial recognition, non-controlling interests in the net assets consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination. Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from the holding company's owners' equity therein. Non-controlling interests in the profit or loss and other comprehensive income of consolidated subsidiaries are also disclosed separately. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2 Significant accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when there is a legally enforceable right to set off the recognised amounts and the amounts are intended to be settled on a net basis or to be realised simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Trade receivables

Trade receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment that is required when there is objective evidence that the Group will not be able to collect all amounts due according to the original term of the receivables. When the effect of discounting is immaterial, trade receivables are stated at their nominal value.

Trade payables

Trade payables are subsequently measured at amortised cost using the effective interest method. When the effect of discounting is immaterial, payables are stated at their nominal value.

Bank borrowings

Subsequent to initial recognition, interest-bearing bank loans are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial. Bank loans are carried at face value due to their market rate of interest. Subsequent to initial recognition, interest-bearing bank overdrafts are carried at face value in view of their short-term maturities.

Other borrowings

Subsequent to initial recognition, other borrowings are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial.

2 Significant accounting policies (continued)

Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows and are presented in current liabilities on the statement of financial position.

Ordinary share capital

Ordinary shares issued by the Company are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

In the case of loans and receivables that are carried at amortised cost, objective evidence of impairment includes observable data about the following loss event – significant financial difficulty of the issuer or counterparty.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. Financial assets are also assessed collectively in groups that share similar credit risk characteristics.

In the case of other assets tested for impairment, the recoverable amount is the higher of fair value less costs to sell (which is the amount obtainable from sale in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal) and value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets the reversal is recognised in profit or loss.

2 Significant accounting policies (continued)

Impairment (continued)

Non-financial assets

Goodwill on the acquisition of subsidiaries or businesses is tested for impairment annually and whenever there is an indication of impairment.

The carrying amounts of the Group's other non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. An impairment loss recognised on goodwill is not reversed in a subsequent period.

Provisions

A provision is recognised if, as a result of a past event, the entity has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for services provided in the normal course of business, net of value added tax and discounts, where applicable. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the entity and these can be measured reliably.

Provision of services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the billed man-days of work performed to balance sheet date.

2 Significant accounting policies (continued)

Finance income

Finance income comprises interest income on funds invested and is recognised as it accrues in profit or loss, using the effective interest method.

Dividend income

Dividend income is recognised when the shareholder’s right to receive payment is established.

Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Employee benefits

The company contributes towards the state pension in accordance with local legislation. The only obligation of the company is to make the required contributions. Costs are expensed in the period in which they are in incurred.

Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income or in equity in which case it is recognised in other comprehensive income or in equity as appropriate.

Current tax is the tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that at the time of transaction affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2 Significant accounting policies (continued)

Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing. Borrowing costs directly attributable to the acquisition or development of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Borrowing costs are capitalised until such time as the assets are substantially ready for their intended use or sale. Borrowing costs are suspended during extended periods in which active development is interrupted. All other borrowing costs are recognised as an expense in the profit or loss in the period in which they are incurred.

Currency translation

The Group operates in Malta and in a number of international territories. The presentation currency of the financial statements is Euro since that is the currency in which the shares of the Company are denominated. Euro is also considered to be the functional currency of the Company as this is the currency of the primary economic environment in which the Company operates. Transactions in currencies other than the functional currency are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are re-translated using the exchange rate ruling on the date the fair value was determined. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured in terms of historical cost are not re-translated. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income. Foreign exchange gains and losses are included within the results from operating activities, except in the case of significant exchange differences arising on financing activities, which are included within finance income or finance expenses.

Foreign operations

The assets and liabilities of foreign operations are translated to Euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Euro at the average exchange rate for the financial period. Foreign currency differences are recognised directly in other comprehensive income through the foreign currency translation reserve. When a foreign operation is disposed of, the relevant amount in this reserve is transferred to profit or loss.

Dividends

Dividends to holders of equity instruments are recognised as liabilities in the period in which they are declared.

2 Significant accounting policies (continued)

Earnings per share

Earnings per share is calculated by dividing the profit or loss attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Operating segments

An operating segment is a component of an entity (a) that engages in business activities from which it may earn revenues and incur expenses, (b) whose operating results are regularly reviewed by the Group's Executive Board to make decisions about resources to be allocated to the segment and assess its performance, and (c) for which discrete financial information is available.

3 Critical accounting estimates and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment assessment of goodwill

The Group tests goodwill for any impairment on an annual basis, or where there is an indication of impairment, in accordance with the accounting policy stated above. The recoverable amount of cash-generating units has been determined based on fair value calculations which require use of estimates, as detailed in note 13.

Recognition of deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. The Group makes an annual assessment of whether or not it will have sufficient taxable profits in future to realise the deferred tax assets. This is a matter of careful judgement and based on facts and circumstances available as further explained in note 15.

Development costs

The determination of whether development costs incurred by the Group meet the criteria for recognition as an intangible asset as disclosed in the accounting policies above requires management to make significant judgement. In addition, determining the amount of development costs to be capitalised requires management to make assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

3 Critical accounting estimates and assumptions (continued)

Impairment in subsidiaries

At year end the Company tests whether investments in subsidiaries have suffered any impairment. Recoverable amounts for cash generating units are based on value in use, which is calculated based on financial standing and cash flow projections of each subsidiary. The key assumptions for the value in use calculations are those regarding discount rates, growth rates and expected changes in margins or recoverability of net assets of the subsidiary. Management estimates discount rates using pre-tax rates that reflect current market assessment of the time value of money and the risks specific to the cash-generating units. Recoverability of net assets is based on value-in-use calculations. In the director's opinion, as of 31 March 2012 investments are subsidiaries are not impaired.

4 Financial risk management

Group

Overview

The Group is exposed to a range of financial risks through its financial assets and financial liabilities. The most significant components of these financial risks for the Group are:

- credit risk
- currency risk
- interest rate risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group objectives in relation to capital management. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Where possible, the Group aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements.

4 Financial risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash held with financial institutions.

The carrying amount of financial assets represents the maximum credit exposure.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, have less of an influence on credit risk. Approximately 27% (2011 - 30%) of the Group's revenue is attributable to sales transactions with two customers. The Group's revenue is mainly generated through sales transactions concluded with customers situated in the United Kingdom.

The amounts due by the Group's significant customers, included in trade receivables are analysed as follows:

	2012	2011
	EUR	EUR
Largest debtor	**624,259**	726,705
Largest two debtors	**1,059,052**	856,556
Largest three debtors	**1,323,202**	958,895

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The majority of the Group's customers have been transacting with the Group for the past three years. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade and other receivables relate mainly to the Group's customers to whom services are rendered.

The maximum exposure to credit risk for trade receivables at the respective reporting dates by geographic region was as follows:

	Carrying amount	
	2012	2011
	EUR	EUR
Malta	**170,625**	74,775
United Kingdom	**2,899,062**	1,325,645
The Netherlands	**69,348**	1,006,031
Other	**52,694**	100,490
	3,191,729	2,506,941

The Group does not have any collateral in respect of trade and other receivables.

4 Financial risk management (continued)

Credit risk (continued)

Trade receivables (continued)

The Group assesses the credit quality of its customers by taking into account their financial standing, past experience and other factors, such as the customers' financial position. Management considers the credit quality of these financial assets as being acceptable. These financial assets do not include any material balances with past default experience. Management is responsible for the quality of the company's credit portfolios and has established credit processes and credit procedures, the objective of which is to build and maintain assets of high quality. Management assess the recoverability of trade receivables by taking into account their financial standing.

Included in the Group's trade receivables balance are the following debtors which are past due at the reporting date for which the Group has not provided as the amounts are still considered recoverable:

	2012 EUR	2011 EUR
1 month or less	**1,083,332**	969,653
Between 1 and 2 months	**214,757**	63,195
Over two months	**349,043**	244,094
	1,647,132	1,276,942

Based on historic default rates, the Group believes that no impairment allowance is necessary in respect of the above trade receivables.

Cash at bank

The Group's cash is placed with quality financial institutions, such that management does not expect any institution to fail to meet repayments of amounts held in the name of the Group entities.

Currency risk

The Group is exposed to currency risk on financial instruments that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Euro (EUR) and Sterling (GBP). The exposure arises on balances with foreign operations within the Group where the denomination of the balance is in a currency other than the currency of the lender or borrower. The Group is therefore exposed to currency risk, as the value of assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates. The risk arising from foreign currency transactions is managed by regular monitoring of the relevant exchange rates and management's reaction to material movements thereto. The Group's net exposure to foreign currencies is not considered to be material and accordingly a sensitivity analysis for foreign exchange risk disclosing how profit or loss and equity would have been affected by changes in foreign exchange rates is not deemed necessary. This assessment has been made by taking into consideration the Euro to Sterling 12 month forward rate at 31 March 2012 and 2011.

4 Financial risk management (continued)

Interest rate risk

The company has taken out bank facilities to finance its operations as disclosed in note 19. Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by restricting its financing structure. The risk arising from changes in interest rates is managed by regular monitoring of the relevant interest rates and management's reaction to material changes thereto. The Group's exposure to changes in intetrest rates is not considered to be material and accordingly a sensitivity analysis for interest rate risk disclosing how profit or loss and equity would have been affected by changes in interest rates is not deemed necessary. This assessment has been made by taking into consideration the interest-bearing borrowings at 31 March 2012 and 2011.

Liquidity risk

The company monitors and manages its risk to a shortage of funds by monitoring forecast and actual cash flows and by maintaining adequate banking facilities. The following maturity analysis for financial liabilities shows the remaining contractual maturities using the contractual undiscounted cash flows on the basis of the earliest date on which the company can be required to pay. The analysis includes both interest and principal cash flows.

	Less than 1 year Eur	Between 1 and 2 years Eur	Total Eur
2012			
Financial liabilities			
Trade and other payables	3,293,543	-	3,293,543
Income tax payable	396,940	-	396,940
Other financial liabilities	341,587	-	341,587
Bank borrowings	1,491,943	-	1,491,943
	5,524,013	-	5,524,013
2011			
Financial liabilities			
Trade and other payables	2,917,993	-	2,917,993
Income tax payable	307,457	-	307,457
Other financial liabilities	324,121	-	324,121
Bank borrowings	832,087	324,260	1,156,347
	4,381,658	324,260	4,705,918

Capital risk management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as the profit for the year divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The capital structure of the group consists of items presented within equity in the balance sheet. None of the Group entities are subject to externally imposed capital requirements.

4 Financial risk management (continued)

Company

The exposures to risk and the way risks arise, together with the company's objectives, policies and processes for managing and measuring these risks are disclosed in more detail below.

Where possible, the company aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements.

Credit risk

Financial assets which potentially subject the company to concentrations of credit risk consist principally of receivables.

Receivables mainly comprise amounts due from subsidiary undertakings and the risk is therefore contained within the group of which the company is the parent. Receivables are presented net of an allowance for doubtful debts. An allowance for doubtful debts is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The carrying amount of financial assets recorded in the financial statements represents the company's maximum exposure to credit risk. Management considers the credit quality of those financial assets to be acceptable.

Interest rate risk

The company has taken out bank facilities to finance its operations as disclosed in note 19. Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by restricting its financing structure.

Liquidity risk

The company monitors and manages its risk to a shortage of funds by monitoring forecast and actual cash flows and by maintaining adequate banking facilities.

5 Segment reporting

The Group's operating segments are organised into three geographical areas - Malta, United Kingdom and Netherlands. The Group's Executive Board regularly reviews operating activity by geographical location. The Group's operating segments were determined to be geographical locations because the Executive Board uses information on this basis in order to make decisions about resource allocation and assessing performance.

Measurement of segment assets, liabilities, income and expenses is based on the group's accounting policies. Segment income and expenses include transfers between segments. Shared costs are included in segment on the basis of the actual recharges made.

5 Segment reporting (continued)

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment. The adjustments pertain to intercompany transactions eliminated on consolidation. The segment NL comprises Crimsonwing BV and VDA Informatiebeheersing BV.

2012

	Malta	UK	Netherlands		Adjustments	Total
			NL	Promentum		
	EUR	EUR	EUR	EUR	EUR	EUR
Revenue	6,354,834	7,337,022	1,799,363	4,511,629	(4,852,690)	15,150,158
Direct costs	(4,451,898)	(5,934,467)	(1,784,870)	(2,159,123)	4,784,348	(9,546,010)
Gross profit	1,902,936	1,402,555	14,493	2,352,506	(68,342)	5,604,148
Other income	-	-	133,163	-	(83,592)	49,571
Administrative expenses	(1,392,346)	(1,258,379)	(794,707)	(2,013,128)	151,934	(5,306,626)
EBITDA	510,590	144,176	(647,051)	339,378	-	347,093
Amortisation and depreciation						(460,304)
Results from operating activities						(113,211)
Net finance expense						(94,135)
Loss before income tax						(207,346)
Income tax expense						(252,455)
Loss for the year						(459,801)

Crimsonwing plc

Notes to the financial statements

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5 Segment reporting (continued)

2011

	Malta	UK	Netherlands		Adjustments	Total
			NL	Promentum		
	EUR	EUR	EUR	EUR	EUR	EUR
Revenue	6,120,087	7,385,099	1,944,189	3,965,381	(5,111,188)	14,303,568
Direct costs	(3,981,480)	(5,833,054)	(1,754,496)	(1,996,010)	5,111,188	(8,453,852)
Gross profit	2,138,607	1,552,045	189,693	1,969,371	-	5,849,716
Other income	-	-	192,447	-	(75,780)	116,667
Administrative expenses	(1,297,773)	(1,387,673)	(999,798)	(1,610,323)	75,780	(5,219,787)
EBITDA	840,834	164,372	(617,658)	359,048	-	746,596
Amortisation and depreciation						(443,239)
Results from operating activities						303,357
Net finance expense						(85,785)
Profit before income tax						217,572
Income tax expense						(210,262)
Profit for the year						7,310

5 Segment reporting (continued)

The adjustments pertain to intercompany balances eliminated on consolidation. The segment NL comprises Crimsonwing BV and VDA Informatiebeheersing BV.

	Malta		**United Kingdom**		**The Netherlands**		**Adjustments**		**The Group**	
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011	**2012**	2011
	EUR	EUR	**EUR**	EUR	**EUR**	EUR	**EUR**	EUR	**EUR**	EUR
Segment assets	**4,179,662**	3,375,420	**2,805,966**	2,235,112	**1,926,527**	1,875,860	**(957,395)**	107,363	**7,954,761**	7,593,755
Deferred tax assets	**-**	-	-	-	**440,455**	460,055	-	-	**440,055**	460,055
Total assets									**8,394,816**	8,053,810
Segment liabilities	**2,385,798**	1,834,290	**2,508,925**	1,999,963	**4,075,712**	3,485,284	**(3,446,422)**	(2,613,619)	**5,524,013**	4,705,918
Deferred tax liability	**-**	-	**26,468**	26,542	-	-	-	-	**26,468**	26,542
Total liabilities									**5,550,481**	4,732,460
Capital expenditure	**79,872**	52,775	**4,234**	5,182	**33,752**	339,152	-	-	**117,858**	397,109
Depreciation and amortisation	**45,630**	46,845	**27,254**	37,003	**177,420**	149,391	**210,000**	210,000	**460,304**	443,239

6 Finance income

	Group		Company	
	2012	2011	**2012**	2011
	EUR	EUR	**EUR**	EUR
Interest income on bank deposits	**1,002**	657	**2**	4
Dividend income	**-**	-	**150,000**	155,000
	1,002	657	**150,002**	155,004

7 Finance expenses

	Group		Company	
	2012	2011	**2012**	2011
	EUR	EUR	**EUR**	EUR
Interest on bank overdrafts and loans	**93,919**	86,442	**55,682**	55,071
Interest on other loans	**1,218**	-	**1,218**	13,398
	95,137	86,442	**56,900**	68,469

8 (Loss)/profit before tax

This is stated after charging:

	Group		Company	
	2012	2011	**2012**	2011
	EUR	EUR	**EUR**	EUR
Auditors' remuneration	**46,000**	46,000	**7,000**	9,000
Depreciation of plant and equipment	**104,417**	127,812	**-**	-
Amortisation of intangibles	**355,887**	315,427	**-**	-
Operating lease payments	**486,945**	538,411	**-**	-
Net exchange differences	**45,181**	13,818	**-**	-

Other fees payable to the auditor comprise *EUR1,000* (2011 – *EUR3,000*) for non-audit services.

9 Key management personnel compensation

Directors' compensation:

	Group		Company	
	2012	2011	**2012**	2011
	EUR	EUR	**EUR**	EUR
Short-term benefits:				
Directors' fees	**128,000**	126,333	**20,000**	18,333
Directors' emoluments	**354,688**	337,066	**-**	-
Other key management personnel	**548,235**	649,077	**-**	-
	1,030,923	1,102,476	**20,000**	18,333

10 Staff costs and employee information

	Group	
	2012	2011
	EUR	EUR
Staff costs:		
Wages and salaries	**8,987,136**	8,285,035
Social security contributions	**752,821**	510,897
	9,739,957	8,795,932

The average number of persons employed during the year, including executive directors, was made up as follows:

	Group	
	2012	2011
	Number	Number
Operational	**206**	189
Accounts and administration	**30**	28
	236	217

11 Income tax expense

	Group		Company	
	2012	2011	**2012**	2011
	EUR	EUR	**EUR**	EUR
Current tax charge	**232,881**	203,517	**-**	1
Deferred tax charge	**19,574**	6,745	**-**	-
	252,455	210,262	**-**	1

Income tax in Malta is calculated at a basic rate of 35% (UK corporation tax rate applicable of 26%) of the estimated assessable profit for the year. Taxation in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The Group tax expense for the year can be reconciled as follows:

	2012	2011	**2012**	2011
	EUR	EUR	**EUR**	EUR
(Loss)/profit before tax	**(207,345)**	217,572	**(15,226)**	(6,078)
Tax at 35%	**(72,571)**	76,150	**(5,329)**	(2,127)
Tax effect of:				
Exempt income in terms of Regulation 38 (4) of the Business Promotion Regulations	**(31,933)**	(12,437)	**-**	-
Income taxed at lower rates	**(39,179)**	(7,879)	**-**	(2)
Exempt dividend income	**-**	-	**(52,500)**	(54,250)
Effect of consolidation adjustments not subject to tax	**73,500**	73,500	**-**	-
Reversal of deferred tax credit	**20,000**	-	**-**	-
Disallowable expenses	**329,010**	-	**57,830**	56,380
Utilisation of tax losses	**(27,992)**	(161,598)	**-**	-
Other differences	**1,620**	242,526	**-**	-
Income tax expense	**252,455**	210,262	**-**	1

12 Earnings per share

The calculations of the earnings per ordinary share at the respective reporting dates are based on the profit attributable to the ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2012	2011
	EUR	EUR
Loss attributable to ordinary shareholders	**533,058**	109,135
	2012	2011
	No.	No.
Weighted average number of shares	**26,000,000**	26,000,000

There is no difference between basic and diluted earnings per share as the Company has no potential dilutive ordinary shares.

13 Intangible assets

Group

	Goodwill EUR	Computer software for internal use EUR	Computer software for commercial use EUR	Total EUR
Cost				
At 01.04.2010	1,473,420	432,530	2,582,949	4,488,899
Translation adjustment	3,423	-	-	3,423
Additions	-	36,363	250,813	287,176
Disposals	-	(494)	-	(494)
Written off	-	(318,017)	-	(318,017)
At 31.03.2011	1,476,843	150,382	2,833,762	4,460,987
Translation adjustment	15,631	-	-	15,631
Additions	-	442	578,162	578,604
Disposals	-	(71,053)	(15,000)	(86,053)
Written off	-	(2,728)	(202,632)	(205,360)
At 31.03.2012	1,492,474	77,043	3,194,292	4,763,809
Accumulated amortisation				
At 01.04.2010	-	420,069	433,733	853,802
Provision for the year	-	11,673	303,754	315,427
Released on write off	-	(318,017)	-	(318,017)
At 31.03.2011	-	113,725	737,487	851,212
At 01.04.2011	-	113,725	737,487	851,212
Provision for the year	-	9,339	346,548	355,887
Released on disposal	-	(71,053)	-	(71,053)
Released on write off	-	(2,730)	(51,923)	(54,653)
At 31.03.2012	-	49,281	1,032,112	1,081,393
Carrying amount				
At 31.03.2011	1,476,843	36,657	2,096,275	3,609,775
At 31.03.2012	**1,492,474**	**27,762**	**2,162,180**	**3,682,416**

During the year, development costs amounting to *EUR578,162* (2011 - *EUR250,813*) were capitalised and included with “Computer software for commercial use”. These represent costs incurred in relation to the development of software products which are being amortised over a period of 5 to 10 years. No borrowing costs were incurred in relation to the development of the software. The amortisation charge for the year is included in administrative expenses.

13 Intangible assets (continued)

On acquisition of VDA, the Group accounted for previously unrecognised software products developed over the years by VDA. The fair value attributed to these products at 1 July 2008 amounted to *EUR2,100,000* and is being amortised over a period of 10 years. The fair value of these intangible assets was determined through the use of cash flow valuation methodologies. The key assumptions applied by the directors in valuing these assets are substantial cost savings due to restructuring exercise undertaken and a modest growth rate in revenue.

The goodwill recognised in the financial statements arose primarily on the purchase of a controlling interest in Promentum Holdings BV together with the purchase of the Media and Entertainment business division of Peracto Solutions Limited by one of the Group's subsidiaries as explained further below.

Goodwill has therefore been recognised in relation to two separately identifiable cash-generating units. At the year-end, the goodwill was tested for impairment on a fair value basis for each cash-generating unit, based on revenue and profit forecasts prepared by management.

<u>Promentum Business</u> – EUR1,171,843

The goodwill associated with the Promentum business arose on the acquisition of 51% of the shareholding in Crimsonwing Promentum Holdings BV in 2008. The business has operated soundly and is in a healthy financial position. The impairment assessment of this cash-generating unit is made on the basis of actual results for the year just ended multiplied by a Price/Sales ratio of between 1.0 to 1.2 or a Price/Earnings ratio of 15, being industry wide ratios for market valuations of IT software/services businesses.

Subsequent to year end, the Company acquired the remaining 49% shareholding in Crimsonwing Promentum Holdings BV as disclosed in note 27. The expected enterprise valuation of Promentum Holdings BV is EUR2,400,000. The total purchase consideration of EUR1,176,000 (49%) is in the form of 2,940,000 Crimsonwing plc shares valued at a subscription value of 30 euro cents per share for 75% of the consideration and four year loan notes to the value of €294,000 for the remaining 25% of the consideration.

<u>Peracto Business</u> – EUR305,000

In July 2007 Crimsonwing Limited acquired the business of Peracto Solutions Limited which gave rise to goodwill of EUR305,000 and which relates to customers of the business generating a separate revenue stream. The impairment assessment of this cash-generating unit is based on the cash flows generated by these customers in the year just ended and which comfortably support the carrying value of the goodwill.

14 Plant and equipment

Group

	Computer equipment EUR	Furniture, fittings and other equipment EUR	Total EUR
Cost			
As at 01.04.2010	740,938	469,934	1,210,872
Acquisitions	50,932	59,001	109,933
Disposals	-	(39,333)	(39,333)
Effect of movements in exchange rates	595	592	1,187
Balance at 31 March 2011	792,465	490,194	1,282,659
Acquisitions	25,802	92,056	117,858
Disposals	(124,189)	(113,894)	(238,083)
Balance at 31 March 2012	694,078	468,356	1,162,435
Accumulated depreciation			
As at 01.04.2010	544,347	432,079	976,426
Charge for the year	60,719	67,093	127,812
Release on disposals	-	(39,333)	(39,333)
Effect of movements in exchange rates	479	371	850
Balance at 31 March 2011	605,545	460,210	1,065,755
Charge for the year	47,545	56,871	104,417
Release on disposals	(124,189)	(112,594)	(236,783)
Balance at 31 March 2012	528,901	404,487	933,389
Carrying amounts			
At 31 March 2011	186,920	29,984	216,904
At 31 March 2012	165,176	63,869	229,045

15 Deferred tax assets/liability

Deferred income taxes are calculated on temporary differences under the liability method using a principal rate ranging between 20% and 35%.

The movement on the deferred income tax account is as follows:

Group

	2011 EUR	Movement for the year recognised in profit or loss EUR	**2012** **EUR**
Asset			
Arising on:			
Tax losses carried forward	460,055	(20,000)	**440,055**
Liability			
Arising on:			
Accelerated tax depreciation	10,413	(480)	**9,933**
Other temporary differences	(27,790)	1,064	**(26,726)**
Deferred tax liability of foreign entity translated at foreign exchange rates at year-end	(9,165)	(510)	**(9,675)**
	(26,542)	(74)	**(26,468)**

The deferred tax asset arises on overseas subsidiaries which have undergone significant changes and restructuring over the past two years. The directors consider that temporary differences recognised are substantially non-current in nature. In assessing whether the deferred tax asset should be recognised, the directors have taken into account the cost savings from the restructuring exercise carried out during the recent period, the projected sales and the projected taxable income based on approved budgets. The directors will continue to monitor the position on an ongoing basis.

At 31 March 2012 the company had an unrecognised deferred tax asset of EUR385,873 (31 March 2011 – EUR224,003) emanating from unabsorbed tax losses. The crystallisation of this asset remains doubtful given the expected pattern of income in the future years and has therefore not been recognised.

16 Investments in subsidiaries

These are stated at cost and comprise:

The Company did not recognise any impairment losses in relation to its investments in subsidiaries during the year.

	EUR
Carrying amount	
At 31.03.2011	3,211,468
At 31.03.2012	**3,190,468**

17 Trade and other receivables

	Group		Company	
	2012 EUR	2011 EUR	**2012 EUR**	2011 EUR
Trade receivables	**3,191,728**	2,506,941	**-**	-
Other receivables	**140,541**	180,279	**-**	-
Prepayments and accrued income	**379,310**	448,630		-
Amounts due from subsidiary undertakings	**-**	-	**1,175,395**	2,333,451
Amounts due from related parties	-	-	**2,482**	2,432
	3,711,580	3,135,850	**1,177,877**	2,335,883

The amounts due from subsidiary and related undertakings are interest-free and though they have no fixed date for repayment, they are expected to be realised within twelve months from the end of the reporting period.

18 Trade and other payables

	Group		Company	
	2012	2011	**2012**	2011
	EUR	EUR	**EUR**	EUR
Trade payables	**795,470**	990,427	**-**	-
Amounts due to directors	**194,901**	178,302	**-**	-
Other taxes and social security	**1,193,520**	838,338		
Other creditors	**280,774**	128,228	**-**	-
Accruals and deferred income	**828,877**	782,698	**38,812**	178,525
	3,293,543	2,917,993	**38,812**	178,525

The amounts due to the directors have no fixed date for repayment and the Company has no unconditional right to defer settlement of these loans for at least twelve months after the end of the reporting period. These amounts are interest free and unsecured.

19 Bank borrowings

	Group		Company	
	2012	2011	**2012**	2011
	EUR	EUR	**EUR**	EUR
Bank overdrafts	**1,139,148**	472,087	**491,723**	247,786
Bank loans	**352,795**	684,260	**352,795**	684,260
Less: amounts due for settlement within twelve months	**(1,491,943)**	(832,087)	-	-
	-	324,260	**844,518**	932,046

Bank loans are repayable as follows:

	Group		Company	
	2012	2011	**2012**	2011
	EUR	EUR	**EUR**	EUR
On demand and within one year	**1,491,943**	832,087	**844,518**	607,786
In the second year	**-**	324,260	**-**	324,260
In the third year	**-**	**-**	-	-
	1,491,943	1,156,347	**844,518**	932,046

The Group has bank overdraft facilities totalling EUR 1,300,000 and a bank loan of EUR 352,795. The bank loan bears interest at 5.25% per annum and the overdraft facilities bear interest at 4.00% to 6.45% over the bank’s base rate. These borrowings are secured by a general hypothec of EUR 2,650,000 over the Group’s future and present assets.

20 Other financial liabilities

	Group		Company	
	2012	2011	**2012**	2011
	EUR	EUR	**EUR**	EUR
Shareholders' loan	**341,587**	324,121	**-**	-
Amounts due to subsidiary undertakings	**-**	-	**36,146**	972,083
Amounts due to director	**-**	-	**84,490**	85,057
	341,587	324,121	**120,636**	1,057,140

The shareholders' loans are due for repayment six months after the date of the first drawdown. The loans are unsecured and bear interest at 5% above the bank's base rate per annum. Interest is payable three-monthly in arrears and amounted to EUR1,218 (2011 - EUR13,398).

21 Capital and reserves

The Company's share capital is denominated in Euro (EUR).

	Group and Company 2012 and 2011	
	Authorised No.	Issued and fully paid No.
Ordinary shares of €0.10 each	500,000,000	26,000,000

	2012 and 2011 Issued and fully paid EUR
Ordinary shares of €0.10 each	**2,600,000**

Share rights

All ordinary shares have the right to receive dividends, return of capital on liquidation and have the right to receive notice of and attend and/or speak and/or vote at any general meeting.

Reorganisation reserve

On 25 October 2007, the Company became the new parent of the Group following the purchase of all of the equity capital in the original parent, through the issue of shares to the original shareholders of the original parent. This reserve arose as a result of the application of the principles of predecessor accounting in the treatment of the latter reorganisation. The reserve mainly represents the difference between the share capital issued on reorganisation and the amount recorded for the share capital acquired. This reserve does not arise in the separate financial statements of the parent company and therefore has no impact on distributable reserves.

21 Capital and reserves (continued)

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign entities.

22 Fair values of financial assets and financial liabilities

The reported carrying amounts at the respective balance sheet dates of the Group's and the Company's financial instruments other than the investment in subsidiaries, are a reasonable approximation of their fair values in view of their short-term maturities. The fair values of non-current financial liabilities are not materially different from their carrying amounts in view of their market rates of interest.

23 Operating leases

Non-cancellable operating lease rentals are payable by the Group as follows:

	2012 **EUR**	2011 EUR
Less than one year	**486,945**	593,550

Crimsonwing Malta Limited had six separate lease agreements in place at year end, with varying lengths of duration up to 2017 at which time they will be renegotiated.

At year end, notice was given to terminate the current lease on 31 March 2013 on the property leased by the Dutch subsidiaries and a new lease agreement is currently being negotiated.

The lease at Crimsonwing Limited will expire in July 2013 and any extensions will need to be renegotiated.

None of the lease agreements are subject to contingent rent nor is there an option to purchase the property at the end of the lease term.

24 Related parties

Crimsonwing plc is the parent company of the entities listed in note 25. Crimsonwing plc is controlled by David Walsh who holds 50.04% of the issued share capital of the Company.

Key management personnel compensation is disclosed in note 9.

Amounts due by and to directors are disclosed in note 18. These amounts will be settled in cash. No guarantees have been given or received in respect of these balances.

Amounts due to and from related parties, subsidiary undertakings and shareholders are disclosed in notes 17, 18 and 20.

The terms and conditions of the related party balances and transactions referred to above are disclosed in notes 9, 17, 18 and 20.

25 Group entities

	Nature of business	Country of Incorporation	Ownership interest 2012 %	2011 %
Crimsonwing (Malta) Limited	Provision of support services related to IT	Malta	**100**	100
Crimsonwing Limited	Provision of computer services	United Kingdom	**100**	100
Crimsonwing BV	Provision of computer services	The Netherlands	**100**	100
Crimsonwing Promentum Holdings BV	Provision of computer services	The Netherlands	**51**	51
VDA Informatiebeheersing BV	Provision of computer services	The Netherlands	**100**	-

The registered addresses are as follows:

Crimsonwing (Malta) Limited - Lignum House, Aldo Moro Road, Marsa LQA 06, Malta.

Crimsonwing Limited and Crimsonwing Group Limited - Stonebridge House, 28-32 Bridge Street, Leatherhead, Surrey KT22 8BZ, United Kingdom.

Crimsonwing BV - Kleine Beer 64, 3893 DH Zeewolde, The Netherlands.

Crimsonwing Promentum Holdings - Seinstraat 32, 1223 DA Hilversum, The Netherlands.

VDA Informatiebeheersing BV - Seinstraat 32, 1223 DA Hilversum, The Netherlands.

26 Cash and cash equivalents

	Group		Company	
	2012 EUR	2011 EUR	**2012 EUR**	2011 EUR
Cash at bank and on hand	**331,720**	631,226	**132**	96
Bank overdraft	**(1,139,148)**	(832,087)	**(491,723)**	(247,786)
	(807,428)	(200,861)	**(491,591)**	(247,690)

Cash at bank earns interest at floating rates based on bank deposit rates.

27 Events after the reporting period

On 24 May 2012 the Company entered into a share purchase agreement for the acquisition of the remaining issued share capital of Promentum Holding BV. The Agreement is conditional on obtaining Crimsonwing plc shareholder approval.

Crimsonwing plc acquired a 51% controlling stake in Promentum Holdings BV in September 2007 and, subject to shareholder approval, will control the full 100% of the issued share capital following this purchase.

The expected enterprise valuation of Promentum Holdings BV is €2,400,000. The total purchase consideration of € 1,176,000 (49%) is in the form of 2,940,000 Crimsonwing plc shares valued at a subscription value of 30 euro cents per share for 75% of the consideration and four year loan notes to the value of €294,000 for the remaining 25% of the consideration.

The motivation for the full acquisition is to fully realise the re-structuring of the three Crimsonwing Dutch businesses (Promentum Holdings BV, Crimsonwing BV and VDA Informatiebeheersing BV) into one cohesive and integrated operating unit – Crimsonwing NL (Netherlands) which will operate in five value streams in the Netherlands under one management Board.

Independent auditor's report
to the members of
Crimsonwing plc

We have audited the accompanying financial statements of Crimsonwing plc and its Group set out on pages twenty to fifty-nine, which comprise the statements of financial position of the Company and the Group as at 31 March 2012, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

As explained more fully in the statement of directors' responsibilities on page eight, the directors of the company are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Maltese Companies Act (Chap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the company and the group. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent auditor's report (continued)
to the members of
Crimsonwing plc

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Crimsonwing plc and its Group as at 31 March 2012, and of the Company's and its Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been properly prepared in accordance with the requirements of the Maltese Companies Act (Chap. 386).

Sarah Curmi as Director
In the name and on behalf of
DELOITTE AUDIT LIMITED
Registered auditor

24 July 2012

Crimsonwing plc

Share register information

Pursuant to the Malta Financial Services Authority Listing Rules

Directors'[1] interests in the share capital of the company as at 31 March 2012

	Number of shares
David Walsh	13,009,187
Philip Crawford	6,243,679
Pierre Zammit	106,600
Kees Brussen	100,000
Albert Muscat	100,000
James Bonello	90,000
Tom Meehan	48,000

Shareholders holding more than 5% of the equity as at 31 March 2012

David Walsh	50.04%
Philip Crawford	24.01%

Shareholding details

At 31 March 2012, Crimsonwing plc's share capital was held by 321 shareholders. The issued share capital consists of one class of ordinary shares with equal voting rights.

Distribution of shares analysed by range

As at 31 March 2012

Range of shareholding	No. of shareholders
1 – 500	4
501 – 1,000	10
1,001 – 5,000	134
5,001 & over	173

[1] Directors of Company and subsidiaries.

Rounding EUR amounts presented throughout this report may not add up precisely to the totals provided in the tables. Percentages and percent changes are calculated based on rounded figures displayed in the tables and text and may not precisely reflect the percentages and percent changes that would be derived based on figures that are not rounded.