GLOBAL MED TECHNOLOGIES INC
Form 10KSB
March 10, 2008
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-KSB

x ANNUAL REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For The Fiscal Year Ended: December 31, 2007
OR

¨ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For The Transition Period From _____ To _____

COMMISSION FILE NUMBER: 0 - 22083

GLOBAL MED TECHNOLOGIES, INC.

(Name of small business issuer in its charter)

Colorado	84-1116894
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

12600 West Colfax, Suite C-420, Lakewood, Colorado 80215
(Address of principal executive offices) (Zip Code)

Registrant s telephone number: (303) 238-2000

Securities to be registered under Section 12(b) of the Act: None

Securities registered under Section 12(g) of the Act:
Common Stock, $.01 par value

Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act. ¨

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for at least the past 90 days. Yes x No ¨

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10- KSB. ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

State issuer s revenues for its most recent fiscal year $16.079 million.

Aggregate market value of voting stock held by non-affiliates as of March 4, 2008; $17.377 million based on the closing bid price *of $1.14 per* share as of that date.

Shares of common stock, $.01 par value, outstanding as of March 4, 2008, 26,942,088.

Transitional Small Business Disclosure Format (check one). Yes ¨ No x

Documents incorporated by reference: See Part III, Item 13, and EXHIBIT INDEX on page __ for a listing of documents incorporated by reference into this Annual Report on FORM 10-KSB.

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PART I

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PART I

ITEM 1. DESCRIPTION OF BUSINESS

GENERAL DEVELOPMENT OF BUSINESS

Global Med Technologies, Inc. was organized under the laws of the State of Colorado in December 1989.

In 1995, Global Med Technologies, Inc. merged with the Wyndgate Group, Inc. (Wyndgate). Wyndgate operates as a division of Global Med Technologies, Inc. and designs, develops, markets and supports information management software products for blood banks, hospitals, centralized transfusion services and other healthcare related facilities.

PRINCIPAL PRODUCTS AND THEIR MARKETS

Global Med designs, develops, markets and supports information management software products for blood banks, hospitals, centralized transfusion centers and other health care related facilities. Revenues are derived from the licensing of software, maintenance, the provision of consulting and other value added support services, and the resale of software obtained from vendors.

Global Med sells various core products and their related components through its Wyndgate division: SafeTrace®, SafeTrace Tx®, and its ElDorado product suite. SafeTrace is used to assist community blood centers, hospitals, plasma centers and outpatient clinics in the U.S. in complying with the quality and safety standards of the U.S. Food and Drug Administration (the FDA) for the collection and management of blood and blood products. SafeTrace Tx is a transfusion management information system that is designed to be used by hospitals and centralized transfusion centers to help insure the quality of blood transfused into patient-recipients. SafeTrace Tx provides electronic cross-matching capabilities to help insure blood compatibility with patient-recipients and tracks, inventories, bills and documents all activities with blood products from the time blood products are received in inventory to the time the blood products are used or returned to blood centers. SafeTrace Tx complements SafeTrace, because the combined SafeTrace Tx and SafeTrace software system is now able to integrate hospitals with blood centers and provide a vein-to-vein Ò tracking of the blood supply. SafeTrace Tx received FDA clearance on January 29, 1999.

The Company plans to continue to commit significant research and development (R&D) resources to the development of its ElDorado suite of products. In May of 2007, the Company s first module of ElDorado, Donor Doc , received 510(k) clearance from the FDA. Donor Doc is an electronic history questionnaire that assists in the blood donor screening process. On February14, 2008, the Company received 510(k) clearance from the FDA for ElDorado Donor. ElDorado Donor is intended as a comprehensive blood management software application designed to provide for the information system needs of blood banks and donor centers. The software is designed to manage, automate, and control activities associated with donors, donor collections, testing, manufacturing, inventory, and distribution. ElDorado Donor was developed with scalability in mind and is designed to manage the system needs of diverse facilities, from small hospital blood banks to community blood centers, to regional and national centers, both domestically and internationally. The blood management software has been designed with guidance from the Company's technology workgroup, comprised of leading industry representatives from around the world. Throughout the ElDorado Donor development process, the work group's contributions assisted the Company in delivering a feature-rich and user-friendly solution.

SafeTrace, SafeTrace Tx, and ElDorado Donor and Donor Doc have been cleared by the FDA for sale in the United States. The Company s development efforts are focused on developing new software products as well as continuously improving its existing products. The Company plans to continue to commit significant development resources to the development of its ElDorado product suite. Some of these additional products are considered medical devices by the FDA. The Company will be required to obtain FDA 510(k) clearance for these medical devices prior to their sale or introduction into the U.S. market.

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In 1999, Global Med introduced PeopleMed. PeopleMed supports chronic disease management as an ASP. PeopleMed s system uses the Internet to coordinate sources of information and users of a patient s clinical information, including laboratory, pharmacy, primary and specialty care providers, claims, and medical records. PeopleMed began offering validation services to the blood bank industry late in 2007. Validation services include documenting and testing systems to enable the user of these systems to conform to specific requirements and regulations. In fall of 2007, PeopleMed s services were expanded to include validation activities and offering of quality-certified resources to help clients and non-clients perform FDA-required user validation testing on blood bank software systems prior to Go-Live. In addition to Go-Live activities, PeopleMed also offers independent services for system revalidation for clients who are upgrading to newer versions and for clients modifying the setup of the software application to meet the May 2008 deadline to start using a new required label format for blood products called ISBT 128.

PeopleMed is owned 83% by Global Med Technologies, Inc., 11% by the Company s Chairman and CEO, and 6% owned by third parties. Global Med Technologies, Inc. and PeopleMed are referred to collectively herein as the Company or Global Med .

All of Global Med s revenues were generated from providing products and services to end users located throughout the United States, Canada, the Caribbean and Africa. Sales outside of the United States were not material.

COMPETITION

There is substantial competition in all aspects of the blood bank and hospital information management industry. Numerous companies are developing technologies and marketing products and services in the healthcare information management area. Many competitors in the blood bank industry have received FDA clearance for their products. Many of these competitors have been in business longer and have substantially greater personnel and financial resources than Global Med. Global Med believes it is able to compete based on the current technological capabilities of SafeTrace, SafeTrace Tx, and ElDorado Donor and Donor Doc.

CUSTOMERS

During the years ended December 31, 2007 and 2006, Global Med had customers located in numerous locations across the United States, Africa, Canada and the Caribbean, and sales are not concentrated in any geographic or economic region. Global Med s international sales were not material.

DEPENDENCE ON MAJOR CUSTOMERS

As of January 31, 2008, Global Med, through its Wyndgate division, had 293 customers. It intends to continue to target domestic and international blood centers, plasma centers and hospital donor and transfusion centers. During the years ended December 31, 2007 and 2006, there were no customers accounting for more than 10% of revenues.

Although the Company had no individual customers accounting for more than 10% of revenues, one of the Company s marketing partners that sells the Company s products directly to its customers accounted for 25.2% and 26.7% of revenues during 2007 and 2006, respectively. In addition, this same marketing partner accounted for 56.3% and 58.9% of gross accounts receivable as of December 31, 2007 and 2006, respectively.

Royalty And Commission Agreements

The Royalty Group. Pursuant to a development agreement between Wyndgate and the Royalty Group, Wyndgate developed SafeTrace and must make royalty payments to the Royalty Group based on a percentage of Wyndgate s SafeTrace license fees collected, measured by cash received from SafeTrace licensees, net of certain fees and charges. The royalty schedule is based upon the first date of SafeTrace license invoicing, which was September 14, 1995. The royalty amounts are computed as a percentage of software license fees collected. For the years ended December 31, 2007 and 2006, Global Med expensed $17 thousand and $14 thousand, respectively, and these amounts are included in the cost of revenues in the statement of operations. Global Med has accrued but not paid any royalties for the years ended December 31, 2007 and 2006. As of December 31, 2007, the outstanding royalty obligation was approximately $154 thousand.

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Siemens Medical Solutions Health Services Corporation. During September 1999, Global Med entered into a non-exclusive marketing and support agreement with Shared Medical Systems Corporation (SMS). Under this agreement, SMS markets Global Med s blood bank products on a preferred basis. Global Med will pay a commission to SMS based on the software license fee for each sale SMS has facilitated. This agreement was automatically renewed and is still in effect.

Sysmex Infosystems America, Inc. Global Med entered into a non-exclusive marketing and support agreement with Sysmex Infosystems America, Inc. (SIA). Under this agreement, SIA will market Global Med s blood bank products on a preferred basis. Global Med will pay a commission to SIA based on the software license fee for each sale SIA has facilitated. This agreement was automatically renewed and is still in effect.

GE Medical (aka Triple G Systems Group, Inc.). Global Med entered into a non-exclusive marketing and support agreement (the Non-Exclusive Agreement #2) with GE Medical (aka Triple G Systems Group, Inc.) (Triple G). Triple G, under the Non-Exclusive Agreement #2, markets Global Med s SafeTrace Tx products on a preferred basis. Global Med will pay to Triple G a commission based on a percentage of the software license fee that Triple G facilitates through their marketing efforts. This agreement was automatically renewed and is still in effect.

National Jewish Medical and Research Center. Global Med, through its PeopleMed subsidiary, entered into a development and non-exclusive marketing agreement with National Jewish Medical and Research Center (National Jewish). Under the terms of this agreement, Global Med will pay National Jewish a royalty for all sales of PeopleMed s products that use National Jewish s protocols. In addition, in February 2002, PeopleMed signed a Sales and Marketing Agreement with National Jewish, whereby National Jewish will be paid a commission for sales of PeopleMed s products facilitated by National Jewish. The initial term of this agreement expired and this agreement has been automatically renewed. During the term of this agreement, there have been no royalties paid to National Jewish.

Cardiovascular Disease Management, LLC. Global Med, through its PeopleMed subsidiary, entered into a development and non-exclusive marketing agreement with Cardiovascular Disease Management (CVDM). Under the terms of this agreement, Global Med will pay CVDM a royalty for all sales of PeopleMed s products that use CVDM s protocols. During the term of this agreement, there have been no royalties paid to CVDM.

Misys Hospital Systems, Inc. Global Med entered into a non-exclusive marketing and support agreement with Misys Hospital Systems, Inc. (Misys). In the Agreement, Global Med granted to Misys the non-exclusive and non-transferable worldwide rights, excluding the African continent and the following countries; India, Indonesia, Bangladesh, Burma, Cambodia, Laos, Malaysia, Mongolia, Nepal, North Korea, Philippines, Singapore, Shri Lanka, South Korea, Taiwan, Thailand, Vietnam, China (including Hong Kong and Macau); non-exclusive and non-transferable right to market, promote, endorse and assist Wyndgate in the sale and license of its blood donor product, SafeTrace, to Misys clients. Global Med maintains all responsibilities for the licensure, delivery, installation, warranty or support between Wyndgate and the Licensee for all contracts facilitated under the terms of this agreement. Global Med will pay a commission to Misys based on the software license fee for each sale Misys has facilitated. This agreement was automatically renewed and is still in effect. During the term of this agreement, there have been no royalties paid to Misys.

McKesson Information Solutions LLC. Global Med entered into a Value Added Marketing Agreement (McKesson Agreement) with McKesson Information Solutions LLC, a division of McKesson Corporation, to provide Wyndgate s SafeTrace Tx (the Software) advanced transfusion management system as Horizon Blood Bank , as a privately-labeled (OEM) module to be separately licensed with McKesson s Horizon Lab solution. Horizon Blood Bank serves as a tool to help organizations improve patient safety by automating the management and tracking of patient transfusion services.

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The McKesson Agreement grants McKesson the right to privately brand SafeTrace Tx in the United States, Canada, and Mexico. The McKesson Agreement also grants McKesson rights to market the Software to McKesson s hospital information system, clinical systems and ancillary systems customers. The McKesson Agreement does not prevent Wyndgate from pursing sales opportunities through its existing channel partner base as provided and/or required by those agreements. Wyndgate is not required and will not inform McKesson of the opportunities brought to Wyndgate by its channel partners.

The McKesson Agreement requires Wyndgate and McKesson to integrate certain aspects of their respective software products. Wyndgate and McKesson have agreed that certain aspects of their joint software development will be unique to one another, and not available to any other Global Med channel partner or non-McKesson customers. In light of these grants of exclusivity, McKesson has agreed to certain revenue commitments in order to maintain their marketing rights in terms of the increased software product functionality. The revenue commitments include software license fees, implementation services fees, and maintenance fees.

In the event that McKesson is unable to meet certain revenue commitments, McKesson has the right to purchase prepaid license fees from Wyndgate in order to maintain its marketing rights. In the McKesson Agreement, Wyndgate has agreed to notify McKesson, as soon as reasonably possible, if any entity makes a proposal to acquire a majority share in, or full ownership of, Global Med or the Software. McKesson would have the right within ten (10) days to also make an offer after receipt of such notice. Global Med has no obligation to accept such offer. The McKesson Agreement grants McKesson the right to participate in meetings that relate to future development of the Software. Wyndgate is required to provide frequent and timely communications on the path of the Software. Wyndgate and McKesson have agreed to certain enhancements to the Software. The McKesson Agreement provides for McKesson to pay Wyndgate certain fees for the licensing of the Software, performance of implementation and maintenance services by Wyndgate for McKesson s customers using the Software.

Certain terms of the McKesson Agreement are not provided because they are proprietary in nature and are subject to confidentiality and non-disclosure provisions under the McKesson Agreement.

Paratech, LLC. Global Med, through its PeopleMed subsidiary, entered into a non-exclusive marketing agreement with Paratech, LLC. (Paratech). Under the terms of this agreement, Global Med will pay Paratech a commission for sales of PeopleMed s products they facilitate.

Government Approval And Regulation

Global Med s products and services are subject to regulations adopted by governmental authorities, including the FDA, which governs blood center computer software products regulated as medical devices. The FDA requires all blood tracking application software vendors to submit a 510(k) application for review. The application process for FDA review and compliance with FDA guidelines relates to computer software products regulated as medical devices. The FDA considers software products intended for the following to be medical devices: (i) use in the manufacture of blood and blood components; or (ii) maintenance of data used to evaluate the suitability of donors and the release of blood or blood components for transfusion or further manufacturing. As medical device manufacturers, Global Med and its competitors are required to register with the Center for Biologics Evaluation and Research (CBER), list their medical devices, and submit a pre-market notification or application for pre-market review. In April 1997, Global Med s Wyndgate division received notification from the FDA of its finding of substantial equivalence of SafeTrace. This determination provides a 510(k) clearance and permits Global Med to continue to market SafeTrace. In January 1999, the 510(k) clearance was received for SafeTrace Tx. In May of 2007, the Company s first module of ElDorado, Donor Doc, received 510(k) clearance from the FDA. In February of 2008, the Company received 510(k) clearance from the FDA for ElDorado Donor.

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In addition, Global Med is required to follow applicable Quality System Regulations (QSR) of the FDA, which include testing, control and documentation requirements, as well as similar requirements in other countries, including International Standards Organization (ISO) 9001 standards. In 1996, Congress passed legislation that impacted the healthcare information management. The Healthcare Information Portability and Accountability Act (HIPAA) requires the Department of Health and Human Services (HHS) to enact standards for information sharing, security and patient confidentiality. Although HHS has not issued clarification on many of the topics under HIPAA, Global Med believes these regulations will have an important impact on requiring advanced management information systems that will enable various healthcare organizations to comply with emerging requirements.

HIPAA contains provisions regarding the confidentiality and security of patient medical record information. Standards for the electronic handling of health data and security of patient information became effective in 2000. This legislation requires the Secretary of Health and Human Services, or HHS, to (i) adopt national standards for electronic health information transactions, (ii) adopt standards to ensure the integrity and confidentiality of health information, and (iii) establish a schedule for implementing national health data privacy legislation or regulations. The standards and legislation will impact the customers ability to obtain, use or disseminate patient information, which will extend to their use of Global Med s products. Global Med believes that the proposed standards issued to date would not materially affect the business of Global Med.

Employees

As of February 1, 2008, Global Med had 90 full-time employees, consisting of 2 employees in the corporate offices in Lakewood, Colorado and 51 employees at Wyndgate s offices near Sacramento, California and the remainder are spread throughout the United States. Global Med has employment agreements with certain personnel. Global Med s employees are not represented by a labor union or subject to collective bargaining agreements. Global Med has never experienced a work stoppage and believes that its employee relations are satisfactory.

AVAILABLE INFORMATION

Global Med s Annual Report on Form 10-KSB, Quarterly Reports on Form 10-QSB, Current Reports on Form 8-K and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available on the Securities and Exchange Commission s website: http:/www.sec.gov. Additional information about the Company is available at Global Med s website at http://www.globalmedtech.com.

Our common stock is currently trading on the OTC Bulletin Board. OTC Bulletin Board stocks are not required to send annual reports directly to their shareholders. Our shareholders have direct electronic access to all of our SEC filings via our website at www.globalmedtech.com or via the SEC website at www.sec.gov. Global Med does send proxy filings to our shareholders as matters are voted on by all of our shareholders. When Global Med does send information to its shareholders that relates to our annual or interim results, this annual financial information does contain audited information on which an opinion has been issued or interim information that has been reviewed.

ITEM 2. DESCRIPTION OF PROPERTIES

As of February 2008, the Company occupied two primary locations. The Company occupies approximately 1,252 square feet of office space in Lakewood, Colorado and the lease expires on February 14, 2010. The Company leases approximately 19 thousand square feet of office space in El Dorado Hills, California, expiring on August 31, 2013.

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ITEM 3. LEGAL PROCEEDINGS

In September 2002, Global Med filed a lawsuit against Donnie L. Jackson, Jr., Global Med s former Vice President of Sales and Marketing. Global Med alleges, among other things, that prior to his resignation in July 2002 Mr. Jackson misappropriated certain trade secrets of Global Med. After leaving Global Med, Mr. Jackson became a management employee of one of Global Med s competitors. On March 30, 2005, the Superior Court of the State of California in and for the County of El Dorado granted the motion for summary judgment for Donnie L. Jackson, Jr. On September 1, 2005, the Company deposited $1.004 million with the Superior Court in the State of California in the County of El Dorado. This deposit represented potential fees and attorneys costs the Company could be required to pay in the event the Company did not prevail on appeal. The $1.004 million was classified as a Deposit in escrow on the Company s balance sheet as of December 31, 2006. Based on external evidence and the advice of legal counsel, the Company determined that it was more likely than not that the Company would be required to pay the $1.004 million. As a result, the Company expensed the amount of the Deposit in escrow and set up a liability for $1.004 million during 2005. In December 2006, the summary judgment was reversed by the California Court of Appeals and the matter was remanded to the trial court. In May 2007, the $1.004 million Deposit in escrow was returned to the Company along with $80 thousand in accrued interest. As of December 31, 2007, the Company reclassified the Deposit in escrow as a long-term liability based on the prevailing circumstances of the case. As of December 31, 2007, the Company has determined that the return of the deposit and other circumstances surrounding the case prohibit the Company from reversing the accrual of the $1.004 million under SFAS 5, Accounting for Contingencies . The Company intends to continually re-evaluate the facts and circumstances surrounding the case and the related accounting.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted to a vote of the security holders.

PART II

ITEM 5. MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND SMALL BUSINESS ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The Company s common stock commenced trading on the Nasdaq Small-Cap Market in 1997. In 1998, the Company s common stock and warrants were delisted from the Nasdaq Small-Cap Market, and commenced trading on the OTC Bulletin Board. OTC Bulletin Board Market quotations reflect inter-dealer prices, without retail mark-up, markdown or commission, and may not necessarily represent actual transactions.

The following table sets forth the quarterly high and low bid prices for the Company s common stock for the two years ended December 31, 2007 and 2006.

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COMMON STOCK

	FISCAL YEAR 2007	
	HIGH	LOW
First Quarter (January 2007 to March 2007)	$0.80	$0.60
Second Quarter (April 2007 to June 2007)	$1.15	$0.65
Third Quarter (July 2007 to September 2007)	$1.46	$0.81
Fourth Quarter (October 2007 to December 2007)	$1.46	$0.97

	FISCAL YEAR 2006	
	HIGH	LOW
First Quarter (January 2006 to March 2006)	$1.03	$0.76
Second Quarter (April 2006 to June 2006)	$0.99	$0.52
Third Quarter (July 2006 to September 2006)	$0.70	$0.43
Fourth Quarter (October 2006 to December 2006)	$0.80	$0.51

Holders

As of December 31, 2007, the Company had approximately 138 holders of record of the Company s common stock.

Dividends

Common Stock

The payment of dividends by the Company is within the discretion of its Board of Directors and depends in part upon the Company s earnings, capital requirements and financial condition. Since its inception, the Company has not paid any dividends on its common stock and does not anticipate paying such dividends in the foreseeable future. The Company intends to retain earnings, if any, to finance its operations or make acquisitions. In accordance with the terms of the Company s Series A Convertible Preferred Stock, the Company cannot issue dividends on the common stock while the Series A is outstanding unless an equal dividend is declared on the Series A. The dividend on the Series A would be calculated by determining the number of common shares the Series A is convertible into and then applying the same dividend to the Series A that was provided to the common shareholders.

Preferred Stock

The Company has 7,735 shares of Series A Preferred Stock that are outstanding as of February 1, 2008. There are currently no dividends on the preferred stock.

Recent Sales of Unregistered Securities; Use of Proceeds from Unregistered Securities

During the years ended December 31, 2007, 2006 and 2005, Global Med did not sell any securities which it did not subsequently register.

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The following table details equity securities authorized for issuance as of December 31, 2007.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) (c)
Equity plans approved by the shareholders			
2001 Stock Option Plan	6,165,602	$0.90	3,761,398
Compensation Plan	--	--	830,000
Equity plans not approved by the shareholders			
Stock Options	4,658,000	$0.71	813,992
Warrants	12,340,626	$0.69	--
Total	23,164,228	$0.75	5,405,390

The number of common shares available for issuance or already issued under the terms of the existing stock option grants or under the stock option plan and stock compensation plan are subject to adjustment under certain conditions that include the declaration of stock dividends, or stock splits, etc.

ITEM 6. MANAGEMENT S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS

This Annual Report on Form 10-KSB contains certain forward-looking statements within the meaning of Section 27A of the 1933 Act and Section 21E of the Securities Exchange Act of 1934, as amended (1934 Act), and the Company intends that such forward-looking statements be subject to the safe harbors for such statements under such sections. The Company s forward-looking statements include the plans and objectives of management for future operations, including plans and objectives relating to the Company s planned marketing efforts and future economic performance of the Company. The forward-looking statements and associated risks set forth in this Annual Report on Form 10-KSB include or relate to among other things: (i) the ability of the Company to obtain a meaningful degree of consumer acceptance for its current software products and proposed software products, (ii) the ability of the Company to market its current software products and proposed software products on a national and international basis at competitive prices, (iii) the ability of the Company s current software products and proposed software products to meet government regulations and standards, (iv) the ability of the Company to develop and maintain an effective national and international sales network, (v) success of the Company in forecasting demand for its current software products and proposed software products, (vi) the ability of the Company to maintain pricing and thereby maintain adequate profit margins, (vii) the ability of the Company to achieve adequate intellectual property protection for the Company s current software products and proposed software products, and (viii) the ability of the Company and its customers to successfully and timely implement the Company s software products.

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The forward-looking statements herein are based on current expectations that involve a number of risk and uncertainties. Such forward-looking statements are based on assumptions that, among other things, the Company will market and provide software products on a timely basis, that there will be no material adverse competitive or technological change in condition of the Company s business, that demand for the Company s software products will significantly increase, that the Company s Chief Executive Officer will remain employed as such by the Company, that the Company s forecasts accurately anticipate market demand and that there will be no material adverse change in the Company s operations, business or governmental regulation affecting the Company or its suppliers. The foregoing assumptions are based on judgments with respect to, among other things, future economic, competitive and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the Company s control. Accordingly, although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any such assumption could prove to be inaccurate and therefore there can be no assurance that the results contemplated in forward-looking statements will be realized. In addition, as disclosed elsewhere in this Annual Report on Form 10-KSB, there are a number of other risks inherent in the Company s business and operations which could cause the Company s operating results to vary markedly and adversely from prior results or the results contemplated by the forward-looking statements. Growth in absolute and relative amounts of cost of sales, research and development, sales and marketing and other operating expenses or the occurrence of other events could cause actual results to vary materially from the results contemplated by the forward-looking statements. Management decisions, including budgeting, are subjective in many respects and periodic revisions must be made to reflect actual conditions and business developments, the impact of which may cause the Company to alter its marketing, capital investment and other expenditures, may also materially and adversely affect the Company s liquidity, financial position and results of operations. In light of significant uncertainties inherent in the forward-looking information included in this Annual Report on Form 10-KSB, the inclusion of such information should not be regarded as a representation by the Company or any other person that the Company s objectives or plans will be achieved.

GENERAL

The Company designs, develops, markets and supports information management software products for blood banks, hospitals, centralized transfusion centers and other health care related facilities. Revenues for Wyndgate are derived from the licensing of software, the provision of consulting and other value-added support services and the re-sale of software obtained from vendors.

Business Strategy

The Company s business strategy for marketing and selling its products and services is two pronged:

1. The first prong is comprised of direct selling to customers through the Company's internal sales force; and

2. The second prong is focused on marketing and selling directly through agreements with companies (Channel Partner Agreements) that are established in blood donor hospital markets.

The Company s ability to increase future revenues is highly dependent upon the Company s ability to make further inroads in selling its products directly to potential customers or expanding its customer base through acquisitions. These Channel Partner Agreements are more fully described in BUSINESS , ROYALTY AND COMMISSION AGREEMENTS. In addition, the Company s success is dependent upon the ability of its marketing partners to sell their complementary products in conjunction with the Company s. Management of the Company is focused on increasing its revenues and cash flows through direct sales efforts, increasing its marketing footprint through adding additional channel partners and strategic alliances, and developing new products and enhanced functionality to its existing product mix to attract potential customers. The Company is actively pursuing domestic and international acquisitions of software companies that service the healthcare industry. Global Med s acquisition strategy is to purchase companies that sell software products that complement its current product mix. Global Med is focused on acquiring companies that will result in accretive earnings to the Company in the first year of the acquisition and thereafter. Global Med s goal is to become the world s leading supplier of blood management software. The Company may use either equity or debt financing or its cash to proceed with its planned strategy for significant acquisitions.

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Overview/Outlook

Global Med provides information management software products and services to the health care industry. Wyndgate operates as a division of Global Med and designs, develops, markets and supports information management software products for blood banks, hospitals, centralized transfusion centers and other healthcare related facilities. During the fourth quarter ended December 31, 2007, Global Med recognized record revenues of $4.297 million and record operating income of $698 thousand.

The Company sells various core products and their related components through its Wyndgate division: SafeTrace, SafeTrace Tx, and its ElDorado product suite. SafeTrace is used by blood centers and hospitals to track blood donations. SafeTrace Tx is used primarily by hospitals and centralized transfusion services to help insure the quality of blood transfused into patient-recipients. Both products are designed to help the users comply with quality and safety standards of the FDA for the collection and management of blood and blood products. The Company s Wyndgate division earns revenues primarily through the sale of software licenses, implementation of the software systems sold, and by providing maintenance for the SafeTrace and SafeTrace Tx software systems. ElDorado Donor is intended as a comprehensive blood management software application designed to provide for the information system needs of blood banks and donor centers. Donor Doc is an electronic history questionnaire that assists in the blood donor screening process.

The Company has received FDA 510(k) clearance on two modules of its ElDorado product suite. The Company plans to continue to commit significant financial resources to its research and development efforts in order to bring additional and improved modules of ElDorado to market. The Company s development efforts are focused on developing new software products as well as improving its existing products. Because some of the products the Company is developing are considered medical devices by the FDA, the Company will be required to obtain FDA 510(k) clearance for these medical devices prior to their sale or introduction into the market. As a result of these planned continued development efforts, R&D expenses should continue to be higher than in prior years, but the Company believes that R&D expenditures as a percentage of revenues should decline as the Company s revenues continue to grow. The Company believes that these additional R&D expenditures and the resultant products will help continue to fuel revenue growth.

The decision to purchase a new blood bank system is driven in large part by one or all of the following: replacing antiquated technology, upgrading the laboratory information system (LIS) of the hospital which typically includes the purchase of a blood bank system, and replacing existing products that have been sunsetted. The Company believes that because the purchase of an LIS by a hospital is a significant driver in the decision to purchase a blood bank system, the Company is heavily reliant on its relationships with its channel partners that sell their LIS systems in combination with the Company s blood bank products. The Company s channel partner relationships are more fully discussed in BUSINESS , ROYALTY AND COMMISSION AGREEMENTS.

Entities that plan to purchase blood bank products primarily have two choices:

1. Upgrade their current system with their existing vendor, or

2. Select a replacement system from an alternative vendor.

Overall, Global Med s revenues for the year ended December 31, 2007 increased $3.717 million or 30.1% to $16.079 million from $12.362 million from the prior year. Cost of revenues increased $862 thousand or 21.3% for the year ended December 31, 2007 to $4.904 million from $4.042 million for the prior year. For the year ended December 31, 2007 and 2006, operating expenses were $9.288 million and $7.512 million, and net income was $1.978 million and $1.381 million, respectively. The increase in net income was primarily attributable to the increase in revenues.

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For the year ended December 31, 2007, operations provided $4.421 million in cash. For the comparable period in 2006, Global Med s operations provided $1.224 million in cash. The Company believes that its cash flows from the sale of SafeTrace, SafeTrace Tx, and new products to customers and the current backlog of existing business will continue to be strong on an annual basis through the remainder of fiscal year 2008 and possibly thereafter. The Company believes its revenues and operating income will continue to grow in 2008 and possibly beyond. For the fourth quarter ended December 31. 2007, the Company s revenues increased $619 thousand or 16.8% to $4.297 million from $3.678 million during the comparable quarter in 2006.

The Company believes that its current customer base and projected backlog of business, as well as sales to new customers, will be sufficient to fund operations which include its planned software development activities, and likely will generate positive cash flows from operations and negative cash flows from investing activities through 2008, and possibly thereafter. The Company believes that based on its recurring revenues, current backlog, and its projected pipeline of business, it will be profitable during 2008 and possibly thereafter.

Balance Sheet Changes

As of December 31, 2007 and 2006, certain balance sheet account changes were significant. Cash increased by $4.194 million primarily as a result of the cash flows from operations; accrued revenues increased by $714 thousand as a result of increased revenues; deposit in escrow decreased by $1.004 million as a result of the return of this deposit; deferred revenue increased $621 thousand primarily as a result of maintenance-related billings and the Company s shareholders equity increased $2.551 million as a result primarily of net income for the year. Deferred revenue represents contractual billings to customers. It is principally comprised of support and maintenance and implementations revenues for which the customer has been billed but the services or products have not yet been performed or delivered, respectively. As of December 31, 2007 and 2006, approximately $1.889 million and $1.225 million of deferred revenue was also in accounts receivable.

YEAR ENDED DECEMBER 31, 2007 COMPARED TO YEAR ENDED DECEMBER 31, 2006

RESULTS OF OPERATIONS

Revenues. Revenues are comprised of software sales, maintenance and usage fees revenues, implementation and consulting revenues.

Revenues from license fees, maintenance and usage fees increased $2.898 million, or 33.3% to $11.602 million for the year ended December 31, 2007 compared to $8.704 million for the year ended December 31, 2006. The increase was due to a $1.392 million increase in maintenance fees and a $1.506 million increase in license fees.

Revenues from implementation and consulting services increased $819 thousand or 22.4% to $4.477 million for the year ended December 31, 2007 compared to $3.658 million for the year ended December 31, 2006. The increase was primarily attributable to consulting services provided to customers that are utilizing the Company s products in a production environment.

The table below shows for the periods indicated the percentage of our total reported revenues. The maintenance, consulting services, and software license fees relate primarily to the Company s SafeTrace and SafeTrace Tx software.

	Year Ended December 31,	
	2007	**2006**
Maintenance	42.7%	44.4%
Consulting services	27.9%	29.5%
Software license fees	27.0%	22.9%
PeopleMed	2.4%	3.2%
	100%	100%

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As discussed in further detail below, increases in the dollar value of software license and maintenance revenues contributed to the majority of the overall increase in revenues for the year ended 2007. Software license revenues increased because the dollar value of new system sales increased and the Company started out with a higher backlog of unrecognized software license fees at the beginning of 2007 than in 2006. Maintenance revenues increased as a result of initial maintenance billings in 2007 for contracts signed in prior years.

For the year ending December 31, 2008, the Company believes recurring maintenance revenues will be approximately $7.9 million. Maintenance revenue for 2007 was approximately $6.9 million. This amount will continue to grow as the Company adds new customers. Significant future revenue growth for the Company is contingent upon continued new system sales, successful implementation of the Company s software at existing and future sites, and acceptance of the Company s new and future products. Exclusive of acquisitions, the Company believes it may continue to grow its revenue at double-digit rates for 2008 and on an annual basis possibly thereafter. This growth is expected to come from its increasing recurring revenue base, software system sales to new customers, and the sales of additional software and services to its existing customer base.

Cost of Revenues. Cost of revenues related to software license fees, maintenance and usage fees increased $132 thousand, or 7.4%, to $1.920 million for the year ended December 31, 2007, from $1.788 million for the year ended December 31, 2006. The increase was mainly due to increased costs related to the purchase of third party software that was resold.

Cost of revenues associated with implementations and other consulting revenues increased $730 thousand, or 32.4%, to $2.984 million during the year ended December 31, 2007 compared to $2.254 million for the year ended December 31, 2006. The increase was primarily associated with the increased payroll costs necessary for the Company to deliver increased services revenues.

The overall gross profit as a percentage of revenues was 69.5% and 67.3% for the years ended December 31, 2007 and 2006, respectively. The increase in margins is a direct result of increased software license and maintenance fees that typically have higher margins than the Company s other revenue category.

General and Administrative. General and administrative expenses increased $798 thousand, or 32.3%, to $3.272 million for the year ended December 31, 2007 as compared to $2.474 million for the year ended December 31, 2006. The primary reasons for the increase in general and administration was a $213 thousand increase in charges related to bonuses, a $127 thousand increase in payroll expenses, a $102 thousand increase in legal expenses, a $72 thousand increase in compensation related to stock options, a $56 thousand increase in contract services, a $48 thousand increase in education and training-related expenses, a $42 thousand increase in travel-related expenses, and a $41 thousand increase in bad debt expenses.

Sales and Marketing. Sales and marketing expenses increased $556 thousand or 26.4% to $2.664 million for the year ended December 31, 2007 from $2.108 million for the year ended December 31, 2006. The primary reasons for the increase in sales and marketing relate to a $165 thousand increase in internal commissions associated with higher sales, a $114 thousand increase in contract services, a $90 thousand increases in payroll-related expenses, a $45 thousand increase in travel expenses, a $41 thousand increase in marketing-related expenses, and a $30 thousand increase in hiring expenses. For the year ended December 31, 2007, sales and marketing expenses were approximately 16.6% of revenues and approximately 17.1% during 2006.

Research and Development. Research and development (R&D) expenses increased by $426 thousand, or 15.5%, to $3.171 million for the year ended December 31, 2007 from $2.745 million for the year ended December 31, 2006. The increase in research and development expenses was primarily due to a $311 thousand increase in labor-related costs and a $233 thousand increase in consulting services. These increases were partially offset by a $173 thousand reduction in R&D expenses associated with the capitalization of software development costs. No software development costs were capitalized during the year ended December 31, 2006.

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Depreciation and Software Amortization. Depreciation and software amortization costs decreased by $4 thousand to $181 thousand from $185 thousand for the periods ended December 31, 2007 and 2006, respectively.

Change in Estimated Fair Value of Derivative. The Company recognized a gain of $724 thousand related to the change in value of certain derivatives associated with the Company s Series A Convertible preferred stock for the year ended December 31, 2006. The features of the Series A that necessitated this accounting were renegotiated and removed on March 29, 2006.

Interest Income. Interest income increased $196 thousand to $211 thousand for the year ended December 31, 2007 from $15 thousand for the year ended December 31, 2006. The primary reasons for the increase in interest income were the receipt of $80 thousand in accrued interest associated with the return of the Company s $1.004 million escrow deposit and the interest income earned during the year on the significantly higher average cash balances during the year.

Interest Expense. Interest expense was $13 thousand for the years ended December 31, 2007 and December 31, 2006.

Income Taxes. The Company s provision for income taxes decreased by $46 thousand to $107 thousand for the period ended December 31, 2007 from $153 thousand for the year ended December 31, in 2006. The reason for the decrease was due to the reduction in the income tax valuation allowance.

Net Income. The Company s net income for the year ended December 31, 2007 was $1.978 million and $1.381 million for the year ended December 31, 2006. The improved results for 2007 were primarily the result of the increase in revenues.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management s Discussion and Analysis of Financial Condition and Results of Operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

A critical accounting policy is one that is both important to the portrayal of the Company s financial condition or results of operations and requires significant judgment or a complex estimation process. The Company believes the following fit that definition:

Revenue Recognition

The Company recognizes revenue in accordance with the American Institute of Certified Public Accountants Statement of Position (SOP) No. 97-2, Software Revenue Recognition. The Company s standard software license agreement for the Company s products provides for an initial fee to use the product in perpetuity up to a maximum number of users. Fees from software licenses are recognized as revenue upon shipment, provided fees are fixed and determinable and collection is probable. Fees from licenses sold together with consulting services are generally recognized upon shipment provided that the above criteria have been met, payment of the license fees is not dependent upon the performance of the consulting services and the consulting services are not essential to the functionality of the licensed software. In instances in which the consulting services are not essential to the functionality of the software but payment of the license fee is due at the earlier of the performance of specific consulting services or the passage of time, the license fee is recognized ratably over the anticipated period of performance of the services or ratably over the license fee billing period, whichever is more readily determinable.

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For arrangements with multiple elements, the Company allocates revenue to each element of a transaction based upon its fair value as determined by vendor specific objective evidence. Vendor specific objective evidence of fair value for all elements of an arrangement is based upon the normal pricing and discounting practices for those products and services when sold separately and for software license updates and product support services, and is additionally measured by the renewal rate offered to the customer. The Company may modify our pricing practices in the future, which could result in changes in our vendor specific objective evidence of fair value for these undelivered elements. As a result, our future revenue recognition for multi-element arrangements could differ significantly from our historical results.

In those instances in which vendor specific objective evidence exists for the undelivered elements but does not exist for the delivered elements, the Company uses the residual method. The amount of revenue allocated to undelivered elements is based on the vendor-specific objective evidence of fair value for those elements using the residual method. Under the residual method, the total fair value of the undelivered elements, as indicated by vendor-specific objective evidence, is recorded as unearned, and the difference between the total arrangement fee and the amount recorded as unearned for the undelivered elements is recognized as revenue related to the delivered elements.

If an arrangement does not qualify for separate accounting of the software license and consulting transactions, then new software license revenue is generally recognized together with the consulting services based on contract accounting using the percentage-of-completion method. Contract accounting is generally applied to arrangements when services include significant modification or customization of the software. Progress towards completion is generally measured based on hours incurred versus projected total hours. The projected costs associated with contract accounting are accrued at rates consistent with the revenue recognized under the percentage of completion method.

For those customer accounts for which revenue has been earned with the exception that collectibility of the amount is not deemed reasonably assured, the Company recognizes revenues related to these accounts in the period cash is received.

Certain of the Company s contracts include warranties that provide for refunds of all or a portion of the software license and or other fees in the event that the Company is unable to provide maintenance services, for which there is a separate fee, for the contractually prescribed period. Contracts with these provisions are accounted for in accordance with the policies above.

The Company provides consulting services that include implementation, training and the performance of other services to its customers. Revenue from such services is generally recognized ratably over the period during which the applicable service is to be performed. In addition, the Company may recognize certain implementation revenues based on hourly rates in effect on the contract multiplied by the number of hours completed.

Support agreements generally call for the Company to provide technical support and software updates, on a when-and-if-available basis to customers. Revenue on technical support and software update rights is recognized ratably over the term of the support agreement.

PeopleMed has contracts that include fixed fee and per-member fees. The Company recognizes revenues from these contracts as services are provided.

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Deposit In Escrow Collectibility

In September 2002, Global Med filed a lawsuit against Donnie L. Jackson, Jr., Global Med s former Vice President of Sales and Marketing. Global Med alleges, among other things, that prior to his resignation in July 2002 Mr. Jackson misappropriated certain trade secrets of Global Med. After leaving Global Med, Mr. Jackson became a management employee of one of Global Med s competitors. On March 30, 2005, the Superior Court of the State of California in and for the County of El Dorado granted the motion for summary judgment for Donnie L. Jackson, Jr. On September 1, 2005, the Company deposited $1.004 million with the Superior Court in the State of California in the County of El Dorado. This deposit represented potential fees and attorneys costs the Company could be required to pay in the event the Company did not prevail on appeal. The $1.004 million was classified as a Deposit in escrow on the Company s balance sheet as of December 31, 2006. Based on external evidence and the advice of legal counsel, the Company determined that it was more likely than not that the Company would be required to pay the $1.004 million. As a result, the Company expensed the amount of the Deposit in escrow and set up a liability for $1.004 million during 2005. In December 2006, the summary judgment was reversed by the California Court of Appeals and the matter was remanded to the trial court. In May 2007, the $1.004 million Deposit in escrow was returned to the Company along with $80 thousand in accrued interest. As of December 31, 2007, the Company reclassified the Deposit in escrow as a long-term liability based on the prevailing circumstances of the case. As of December 31, 2007, the Company has determined that the return of the deposit and other circumstances surrounding the case prohibit the Company from reversing the accrual of the $1.004 million under SFAS 5, Accounting for Contingencies . The Company intends to continually re-evaluate the facts and circumstances surrounding the case and the related accounting.

Deferred Revenue

Deferred revenue represents contractual billings to customers. It is principally comprised of support and maintenance, implementations, and software revenues for which the customer has been billed but the services or products have not yet been performed or delivered, respectively. Some of the amounts in deferred revenues are also be in accounts receivable. As of December 31, 2007 and 2006, approximately $1.889 million and $1.225 million, respectively, of the deferred revenue balance was also in accounts receivable.

Derivative Financial Instruments

The Series A Convertible Preferred Stock and related warrants included certain terms conditions and features through March 29, 2006, which required separate accounting for as embedded derivative liabilities at estimated fair value. The determination of fair value included significant estimates by management including the term of the instruments, volatility of the price of the Company s common stock, interest rates and the probability of conversion, redemption or a future dilutive financing transaction, among other items. The fluctuations in estimated fair value were significant and had a significant impact on the Company s reported financial condition and results of operations through March 29, 2006. On March 29, 2006, certain terms related to the Series A Convertible Preferred Stock were renegotiated. As a result of these renegotiated terms, the derivative features were eliminated. See further discussion in Note 5 of the Financial Statement.

Income Tax Valuation Allowance

We have recognized that it is more likely than not that certain future tax benefits may or may not be realized as a result of current and future income. During the year ended December 31, 2007, the valuation allowance was decreased by $740 thousand to reflect higher than anticipated net deferred tax asset utilization. We believe that it is more likely than not that future earnings will generate taxable income to utilize the net deferred tax assets recorded as of December 31, 2007.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash and cash equivalents of $6.748 million and $2.554 million as of December 31, 2007 and 2006, respectively.

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The Company had net working capital of $3.445 million and $172 thousand as of December 31, 2007 and 2006,

The Company believes its revenues and operating income will continue to grow in 2008 and possibly for the foreseeable future. The Company also believes that its cash flows from operations will be positive in 2008 and the foreseeable future.

Net cash provided by operating activities was $4.421 million in 2007. The cash provided by operations of $4.421 million during 2007 consisted primarily of the net income of $1.978 million, non-cash charges of $548 thousand, and changes in operating assets and liabilities of $1.895 million. Net cash provided by operating activities was $1.224 million during 2006.

Net cash used by investing activities was $427 thousand and $142 thousand, during 2007, and 2006, respectively. The Company s financing activities provided $200 thousand and $104 thousand in 2007 and 2006, respectively. As of December 31, 2007, the Company had the following contractual obligations or unrecorded obligations:

Contractual Obligations

Expected Maturity Dates ($000s)

	2008	2009	2010	2011	2012	Thereafter
Operating leases	$282	$297	$285	$292	$301	$214
Capital leases	$22	$15	---	---	---	---
Debt	$14	$11	---	---	---	---

IMPACT OF INFLATION

the Company does not anticipate that inflation will materially impact our operating margins or the profitability of our products when marketed.

RECENTLY ISSUED FINANCIAL ACCOUNTING STANDARDS

The Financial Accounting Standards Board issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes-an Interpretation of FASB Statement No. 109" ("FIN 48"), which requires reporting of taxes based on tax positions which meet a more likely than not standard and which are measured at the amount that is more likely than not to be realized. Differences between financial and tax reporting which do not meet this threshold are required to be recorded as unrecognized tax benefits. FIN 48 also provides guidance on the presentation of tax matters and the recognition of potential IRS interest and penalties. The provisions of FIN 48 were adopted by the Company on January 1, 2007 and had no effect on the Company's financial position, cash flows or results of operations upon adoption, as the Company did not have any unrecognized tax benefits. The Company also evaluated its tax positions as of December 31, 2007 and reached the same conclusion.

The Company files tax returns in the United States, in the states of California, Colorado (many others). The tax years 2003 through 2007 remain open to examination by the major taxing jurisdictions to which the Company is subject.

For the year ended December 31, 2007 an income tax expense of $107 thousand was recorded. This expense primarily represents the net tax effect of accounting for the current year s taxable income, partially offset by certain prior years net operating losses, previously valued at zero because of a valuation allowance, now given value as management believes that a portion of the net operating losses will be utilized given the Company s recent history of profitability.

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In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 157, Fair Value Measurements, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The Company does not expect the adoption of SFAS No. 157 to have a material impact on our consolidated financial statements. The FASB may delay a portion of this standard.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities. SFAS No. 159 permits companies to choose to measure many financial instruments and certain other items at fair value. SFAS No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. The Company does not expect the adoption of SFAS No. 159 to have a material impact on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (R), Business Combinations, and SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements. SFAS No. 141 (R) requires an acquirer to measure the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree at their fair values on the acquisition date, with goodwill being the excess value over the net identifiable assets acquired. SFAS No. 160 clarifies that a noncontrolling interest in a subsidiary should be reported as equity in the consolidated financial statements. The calculation of earnings per share will continue to be based on income amounts attributable to the parent. SFAS No. 141 (R) and SFAS No. 160 are effective for financial statements issued for fiscal years beginning after December 15, 2008. Early adoption is prohibited. The Company has not yet determined the effect on our consolidated financial statements, if any, upon adoption of SFAS No. 141 (R) or SFAS No. 160.

Item 7. Financial Statements.

Reference is made to the financial statements, the reports thereon and the notes thereto included as a part of this Annual Report on Form 10-KSB, which financial statements, reports and notes are incorporated herein by reference.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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Report of Independent Registered Public Accounting Firm

Board of Directors and Stockholders
Global Med Technologies, Inc. and subsidiary

We have audited the accompanying consolidated balance sheets of Global Med Technologies, Inc. and subsidiary as of December 31, 2007 and 2006, and the related consolidated statements of income, stockholders equity and cash flows for the years ended December 31, 2007 and 2006. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company s internal control over financial reporting. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Global Med Technologies, Inc. and subsidiary as of December 31, 2007 and 2006, and the results of their operations and their cash flows for the years ended December 31, 2007 and 2006 in conformity with U.S. generally accepted accounting principles.

/s/ Ehrhardt Keefe Steiner & Hottman PC
Ehrhardt Keefe Steiner & Hottman PC

March 6, 2008
Denver Colorado

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

(In thousands)

	December 31, 2007	2006
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 6,748	$ 2,554
Accounts receivable-trade, net of allowance for uncollectible accounts of $181 and $196, in 2007 and 2006, respectively	3,029	3,181
Accrued revenues, net of allowance for uncollectible accounts of $28 and $6, in 2007 and 2006	822	130
Prepaid expenses and other assets	316	254
Deferred tax asset	740	---
Deposit in escrow	---	1,004
Total current assets	11,655	7,123
EQUIPMENT, FURNITURE AND FIXTURES, AT COST:		
Furniture and fixtures	440	393
Machinery and equipment	451	448
Computer hardware and software	2,253	2,132
Leasehold improvements	84	---
	3,228	2,973
Less accumulated depreciation and amortization	(2,886)	(2,704)
Net equipment, furniture and fixtures	342	269
CAPITALIZED SOFTWARE DEVELOPMENT COSTS, net of accumulated amortization of $3,262 and $3,262, respectively	173	---
Total assets	$ 12,170	$ 7,392

See accompanying notes to the consolidated financial statements.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (CONTINUED)
(In thousands)

		December 31, 2007	2006
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable	$	322	261
Accrued expenses		2,632	1,647
Accrued income taxes		745	153
Deferred revenue		4,475	3,854
Litigation accrual		---	1,004
Capital lease obligation, current portion		22	20
Notes Payable, current portion		14	12
Total current liabilities		8,210	6,951
LITIGATION ACCRUAL		1,004	---
CAPITAL LEASE OBLIGATION, less current portion		15	37
NOTES PAYABLE, less current portion		11	25
Total liabilities		9,240	7,013
COMMITMENTS AND CONTINGENCIES (see Note 9)			
STOCKHOLDERS' EQUITY			
Convertible Preferred Stock Series A, $.01 par value: Authorized shares 100, 8 and 10 issued and outstanding as of December 31, 2007 and 2006, respectively		7,735	9,975
Convertible Preferred Stock Series BB, $.01 par value: Authorized shares 675; none issued or outstanding		---	---
Preferred stock, $.01 par value: Authorized shares - 5,725; none issued or outstanding		---	---
Common stock, $.01 par value: Authorized shares 90,000; issued and outstanding shares 26,674 and 23,212 at December 31, 2007 and 2006, respectively		267	232
Additional paid-in capital		54,288	51, 510
Accumulated deficit		(59,360)	(61, 338)
Total stockholders equity		2,930	379
Total liabilities and stockholders' equity	$	12,170	7,392

See accompanying notes to the consolidated financial statements.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share information)

	Year Ended December 31	
	2007	**2006**
REVENUES		
License fees, maintenance and usage fees	$ 11,602	$ 8,704
Implementation and consulting services	4,477	3,658
	16,079	12,362
COST OF REVENUES (exclusive of costs shown below)		
License fees, maintenance and usage fees	1,920	1,788
Implementation and consulting services	2,984	2,254
	4,904	4,042
Gross profit	11,175	8,320
OPERATING EXPENSES:		
General and administrative	3,272	2,474
Sales and marketing	2,664	2,108
Research and development	3,171	2,745
Depreciation and software amortization	181	185
Total operating expenses	9,288	7,512
Income from operations	1,887	808
OTHER INCOME (EXPENSES):		
Change in estimated fair value of derivative Instruments	---	724
Interest income	211	15
Interest expense	(13)	(13)
Income before income taxes	2,085	1,534
Provision for income taxes	(107)	(153)
Net income	$ 1,978	$ 1,381
Income per common share		
Basic	$ 0.08	$ 0.06
Diluted	$ 0.05	$ 0.04
Weighted average number of common shares outstanding		
Basic	24,640	23,167
Diluted	42,209	39,128

See accompanying notes to the consolidated financial statements.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY (DEFICIT)
(In thousands)

	Preferred Stock		Common Stock		Additional paid-in	Accumulated	
	Shares	Amount	Shares	Amount	capital	Deficit	Total
Balances, December 31, 2005	---	$ ---	22,955	$ 229	$ 36,657	$ (62,719)	$ (25,833)
Series A Convertible Preferred Stock, reclassified from mezzanine equity (see Note 6)	10	9,975	---	---	---	---	9,975
Embedded derivative valuation reversal (see Note 6)	---	---	---	---	14,543	---	14,543
Exercise of options	---	---	257	3	179	---	182
Expense associated with issuance of options for services to employees and consultants	---	---	---	---	211	---	211
Issuance costs associated with Series A Preferred and registration statement	---	---	---	---	(80)	---	(80)
Net income	---	---	---	---	---	1,381	1,381
Balances, December 31, 2006	10	$ 9,975	23,212	$ 232	$ 51,510	$ (61,338)	$ 379

See accompanying notes to unaudited condensed consolidated financial statements.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(In thousands)

	Preferred Stock		Common Stock		Additional paid-in	Accumulated	
	Shares	Amount	Shares	Amount	capital	Deficit	Total
Balances, December 31, 2006	10	$ 9,975	23,212	$ 232	$ 51,510	$ (61,338)	$ 379
Expense associated with issuance of options for services to employees and consultants	---	---	---	---	265	---	265
Exercise of options	---	---	351	4	229	---	233
Tax effect of stock options	---	---	---	---	75	---	75
Conversion of Series A Preferred Stock to common shares	(2)	(2,240)	3,111	31	2,209	---	---
Net income	---	---	---	---	---	1,978	1,978
Balances, December 31, 2007	8	$ 7,735	26,674	$ 267	$ 54,288	$ (59,360)	$ 2,930

See accompanying notes audited condensed consolidated financial statements.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,	
	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	$ 1,978	$ 1,381
Adjustments to reconcile net income to net cash provided by		
(used in) operating activities:		
Depreciation and amortization of software development costs	181	185
Non-cash stock based compensation recognized	266	230
Fair value of derivatives financial instruments	---	(724)
Bad debt expense	101	59
Changes in operating assets and liabilities:		
Accounts receivable-trade	73	(2,211)
Accrued income tax expense	667	153
Accrued revenues	(714)	624
Deferred tax asset	(740)	---
Prepaid expenses and other assets	(62)	(20)
Escrow Deposit	1,004	---
Accounts payable	61	126
Accrued expenses	985	257
Deferred revenue	621	1,164
Net cash provided by operating activities	4,421	1,224
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capitalized software development	(173)	---
Purchases of equipment and fixtures	(254)	(142)
Net cash used in investing activities	(427)	(142)

See accompanying notes to the consolidated financial statements

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(In thousands)

	Year Ended December 31,	
	2007	2006
CASH FLOWS FROM FINANCING ACTIVITIES:		
Exercise of options for cash	232	163
Principal payments under capital lease obligations	(20)	(16)
Borrowings on long-term debt	---	40
Principal payments on long-term debt	(12)	(3)
Costs associated with preferred stock	---	(80)
Net cash provided by financing activities	200	104
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,194	1,186
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,554	1,368
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 6,748	$ 2,554

SUPPLEMENTAL DISCLOSURES OF NONCASH TRANSACTIONS:

Cash paid for interest in 2007 and 2006 was $13 thousand.

Cash paid for taxes in 2007 and 2006 was $172 thousand and $2 thousand, respectively.

The Company recognized expenses on options of approximately $266 thousand and $230 thousand, for the years ended December 31, 2007 and 2006, respectively.

On March 29, 2006, as the result of the reclassification of the preferred stock from mezzanine equity to equity, the Company reclassified the embedded derivative originally associated with the issuance of the Series A Convertible Preferred Stock from a liability to additional paid in capital. See Note 5 for further discussion.

The Company issued $19 thousand in common stock to former directors as a result of a cashless stock option exercise during 2006.

The Company amortized $2 thousand in software development costs during 2006 and none in 2007.

See accompanying notes to the consolidated financial statements

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

DESCRIPTION OF BUSINESS

On May 23, 1995, The Wyndgate Group, Limited (Wyndgate) merged with National MRO, Inc. (National MRO) and National MRO subsequently changed its name to Global Med Technologies, Inc. (Global Med or the Company). Global Med provides information management software products and services to the health care industry. Wyndgate operates as a division of Global Med and designs, develops, markets and supports information management software products for blood banks, hospitals, centralized transfusion centers and other healthcare related facilities.

Global Med sells various core products and their related components through its Wyndgate division: SafeTrace, SafeTrace Tx, and ElDorado Donor and ElDorado Donor Doc Modules. SafeTrace is used by blood centers and hospitals to track blood donations. SafeTrace Tx is used primarily by hospitals and centralized transfusion services to help insure the quality of blood transfused into patient-recipients. Both products are designed to help the users comply with quality and safety standards of the FDA for the collection and management of blood and blood products. ElDorado Donor is intended as a comprehensive blood management software application designed to provide for the information system needs of blood banks and donor centers. ElDorado Donor Doc is an electronic history questionnaire that assists in the blood donor screening process. The Company s Wyndgate division earns revenues primarily through the sale of software licenses, implementation of the software systems sold, and by providing maintenance for the SafeTrace and SafeTrace Tx software systems. The Company s revenues from Wyndgate comprised approximately 98% and 97% of the Company s total revenues for the year ended December 31, 2007 and 2006, respectively.

During 1999, Global Med formed a subsidiary, PeopleMed.com, Inc. (PeopleMed), a Colorado corporation, which is approximately 83% owned by the Company to develop a software application designed to give HMO providers and other third party payers access to clinical information for chronic disease patients. This application allows doctors and other medical employees access to a patient s history. Approximately 11% of PeopleMed is owned by the Chairman and CEO of Global Med. The remaining 6% of PeopleMed common shares are owned by unaffiliated shareholders. PeopleMed s revenues for the past two years have not been material, ranging from 2%-3% of the Company s total revenues. Late in 2007, PeopleMed began offering Validation Services. Validation Services include documenting and testing systems to enable the customer to conform their use of the software system to conform with regulations and requirements.

BASIS OF CONSOLIDATION

The consolidated financial statements include the accounts of Global Med and its majority-owned subsidiary. Intercompany accounts and transactions are eliminated in consolidation. There is no minority interest reflected in the consolidated balance sheets at December 31, 2007 and 2006 because PeopleMed had a stockholders deficit.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company s management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

For purposes of the accompanying financial statements, the Company considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. As of the balance sheet date, and periodically throughout the year, the Company has maintained balances in various operating accounts that are in excess of federally insured limits.

CREDIT RISK AND MARKET RISK

Accounts receivable at December 31, 2007 and 2006 are derived primarily from SafeTrace and from SafeTrace Tx sales and related services to blood centers and blood center service providers located in the United States and internationally. The International amounts are not material. Historically, the Company has not required collateral or other security to support customer receivables. In order to reduce credit risk, the Company typically requires substantial down payments and progress payments during the course of an installation of its software products. The Company establishes allowances for doubtful accounts based upon factors surrounding the credit risk or other circumstances specific to customers which may include the right of offset against amounts payable to the customer.

The Company has customers located in numerous locations across the United States and Puerto Rico and sales are not concentrated in any geographic or economic region. The Company also has international customers in Africa and Canada. PeopleMed's customer is located in the State of Colorado. See further discussion of concentration of risk in SIGNIFICANT CUSTOMERS paragraph of this Note 1.

ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS RECEIVABLES AND ACCRUED REVENUES

The Company regularly evaluates the collectibility of its trade accounts receivable and unbilled receivables balances based on a combination of factors. The Company establishes a general reserve for accounts receivable. In addition, when a customer s account becomes past due, the Company initiates dialogue with the customer to determine the cause. If it is determined that the customer will be unable to meet its financial obligation, such as in the case of a bankruptcy filing, deterioration in the customer s operating results or financial position or other material events impacting their business, the Company records a specific reserve for bad debt to reduce the related receivable to the amount it expects to recover given all information presently available. The Company also records reserves for bad debt for all other customers based on certain other factors including the length of time the receivables are past due and historical collection experience with individual customers. If circumstances related to specific customers change, the estimates of the recoverability of receivables could materially change. The Company s allowance for uncollectible accounts receivable and unbilled receivables totaled $209 thousand and $202 thousand at December 31, 2007 and 2006, respectively, and is included on the consolidated balance sheet as a reduction of accounts receivable and accrued revenues. Past due accounts receivable balances are written off when the Company s internal collection efforts have been unsuccessful in collecting the amount due.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

DEPOSIT IN ESCROW

In September 2002, Global Med filed a lawsuit against Donnie L. Jackson, Jr., Global Med s former Vice President of Sales and Marketing. Global Med alleges, among other things, that prior to his resignation in July 2002 Mr. Jackson misappropriated certain trade secrets of Global Med. After leaving Global Med, Mr. Jackson became a management employee of one of Global Med s competitors. On March 30, 2005, the Superior Court of the State of California in and for the County of El Dorado granted the motion for summary judgment for Donnie L. Jackson, Jr. On September 1, 2005, the Company deposited $1.004 million with the Superior Court in the State of California in the County of El Dorado. This deposit represented potential fees and attorneys costs the Company could be required to pay in the event the Company did not prevail on appeal. The $1.004 million is classified as a Deposit in escrow on the Company s balance sheet as of December 31, 2006. Based on external evidence and the advice of legal counsel, the Company determined that it was more likely than not that the Company would be required to pay the $1.004 million. As a result, the Company expensed the amount of the Deposit in escrow and set up a liability for $1.004 million during 2005. In December 2006, the summary judgment was reversed by the California Court of Appeals and the matter was remanded to the trial court. In May 2007, the $1.004 million deposit in escrow was returned to the Company along with $80 thousand in accrued interest. As of December 31, 2007, the Company reclassified the deposit in escrow as a long-term liability based on the prevailing circumstances of the case. As of December 31, 2007, the Company has determined that the circumstances surrounding the case prohibits the Company from reversing the accrual of the $1.004 million under SFAS 5, Accounting for Contingencies . The Company intends to continually re-evaluate the facts and circumstances surrounding the case and the related accounting.

EQUIPMENT, FURNITURE AND FIXTURES

Equipment, furniture and fixtures are stated at cost. Assets recorded under capitalized leases are recorded at the lower of the net present value of the future minimum lease payments or fair value at inception of the lease. Depreciation and amortization, which includes depreciation of assets under capital leases, is based on the straight-line method over estimated useful lives ranging from three to five years. Leasehold improvements are typically depreciated over the lesser of their remaining useful life or the term of the lease. Depreciation expense for the years ended December 31, 2007 and 2006 was $181 thousand and $183 thousand, respectively.

SOFTWARE DEVELOPMENT COSTS

In accordance with the provisions of Statement of Financial Accounting Standard (SFAS) No. 86, Accounting for the Costs of Computer Software to be Sold, Leased or Otherwise Marketed, the Company capitalizes software development and production costs once technological feasibility has been achieved. Software development costs incurred prior to achieving technological feasibility are included in research and development expense in the accompanying statements of operations.

Capitalized software development costs are reported at the lower of unamortized cost or net realizable value. Commencing upon the initial product release or when software development revenue has begun to be recognized, these costs are amortized, based on current and future revenue for each product with an annual minimum equal to the straight-line amortization over the remaining estimated economic life of the product, generally three to four years.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

During the years ended December 31, 2007 and 2006, the Company did not capitalize any costs related to SafeTrace Tx. The Company discontinued capitalizing costs related to this product because the remaining period for amortizing software development costs was less than one year. The Company began capitalizing certain software development costs in fourth quarter of 2007 related to the Company s El Dorado Donor Doc module. The Company capitalized approximately $173 thousand during 2007 and expects to amortize approximately 20% of these capitalized software development costs over each of the next five years.

For the years ended December 31, 2007 and 2006, the Company recorded approximately $0 and $2 thousand of amortization of software development costs, respectively.

DEFERRED REVENUE

Deferred revenue represents contractual billings to customers. It is principally comprised of support and maintenance and implementations revenues for which the customer has been billed but the services or products have not yet been performed or delivered, respectively. As of December 31, 2007 and 2006, approximately $1.888 million and $1.225 million, respectively, of deferred revenue was also in accounts receivable.

INCOME TAXES

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is required to the extent any deferred tax assets may not be realizable.

FINANCIAL INSTRUMENTS

The fair value of a financial instrument represents the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. Significant differences can arise between the fair value and carrying amount of financial instruments that are recognized at historical cost amounts. The fair value of the Company s debt instruments approximates fair value based on the Company s current incremental borrowing rates for similar types of borrowing arrangements. Also, the carrying amounts of the Company s financial assets approximate fair value due to the short-term maturities of these items.

DERIVATIVE FINANCIAL INSTRUMENTS

The Series A Convertible Preferred Stock and related warrants included certain terms, conditions and features through March 29, 2006, which required separate accounting for as embedded derivative liabilities at estimated fair value. The determination of fair value included significant estimates by management including the term of the instruments, volatility of the price of the Company s common stock, interest rates and the probability of conversion, redemption or a future dilutive financing transaction, among other items. The fluctuations in estimated fair value were significant and had a significant impact on the Company s reported financial condition and results of operations through March 29, 2006. On March 29, 2006, certain terms related to the Series A Convertible Preferred Stock were renegotiated. As a result of these renegotiated terms, the derivative features were eliminated. See further discussion in Note 5 of the Financial Statements.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

REVENUE RECOGNITION

The Company recognizes revenue in accordance with the American Institute of Certified Public Accountants Statement of Position (SOP) No. 97-2, Software Revenue Recognition.

The Company s standard software license agreement for the Company s products provides for an initial fee to use the product in perpetuity up to a maximum number of users. Fees from software licenses are recognized as revenue upon shipment, provided fees are fixed and determinable and collection is probable. Fees from licenses sold together with consulting services are generally recognized upon shipment provided that the above criteria have been met, payment of the license fees is not dependent upon the performance of the consulting services and the consulting services are not essential to the functionality of the licensed software. In instances in which the consulting services are not essential to the functionality of the software but payment of the license fee is due at the earlier of the performance of specific consulting services or the passage of time, the license fee is recognized ratably over the anticipated period of performance of the services or ratably over the license fee billing period, whichever is more readily determinable.

For arrangements with multiple elements, the Company allocates revenue to each element of a transaction based upon its fair value as determined by vendor specific objective evidence. Vendor specific objective evidence of fair value for all elements of an arrangement is based upon the normal pricing and discounting practices for those products and services when sold separately. Pricing practices may be modified in the future, which could result in changes in our vendor specific objective evidence of fair value for these undelivered elements. As a result, future revenue recognition for multi-element arrangements could differ significantly from historical results.

In those instances in which vendor specific objective evidence exists for the undelivered elements but does not exist for the delivered elements, the Company uses the residual method. The amount of revenue allocated to undelivered elements is based on the vendor-specific objective evidence of fair value for those elements using the residual method. Under the residual method, the total fair value of the undelivered elements, as indicated by vendor-specific objective evidence, is recorded as unearned, and the difference between the total arrangement fee and the amount recorded as unearned for the undelivered elements is recognized as revenue related to the delivered elements.

If an arrangement does not qualify for separate accounting of the software license and consulting transactions, then new software license revenue is generally recognized together with the consulting services based on contract accounting using the percentage-of-completion method. Contract accounting is generally applied to arrangements when services include significant modification or customization of the software. Progress towards completion is generally measured based on hours incurred versus projected total hours. The projected costs associated with contract accounting are accrued at rates consistent with the revenue recognized under the percentage of completion method.

For those customer accounts for which revenue has been earned with the exception that collectibility of the amount is not deemed reasonably assured, the Company recognizes revenues related to these accounts in the period cash is received.

Certain of the Company s contracts include warranties that provide for refunds of all or a portion of the software license and/or other fees in the event that the Company is unable to provide maintenance services, for which there is a separate fee, for the contractually prescribed period. Contracts with these provisions are accounted for in accordance with the policies above.

The Company provides consulting services that include implementation, training and the performance of other services to its customers. Revenue from such services is generally recognized ratably over the period during which the applicable service is to be performed. In addition, the Company may recognize certain implementation revenues based on the hourly rates in effect on the contract multiplied by the number of hours completed.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Support agreements generally call for the Company to provide technical support and software updates, on a when-and-if-available basis to customers. Revenue from technical support and software update rights is recognized ratably over the term of the support agreement.

PeopleMed has contracts that include fixed fee and per-member fees. The Company recognizes revenues from these contracts as services are provided.

During the year ended December 31, 2007, the Company recognized approximately $123 thousand in revenue related to services that had been performed prior to 2007. The Company did not recognize this earned revenue because collection was not deemed reasonably assured.

The Company recognized $131 thousand in implementation and consulting services revenues during the year ended December 31, 2006 from services that were performed prior to January 1, 2006. These revenues represented the value of additional out-of-scope payments that were agreed to and made by one of the Company s marketing partners during the twelve months ended December 31, 2006.

RESEARCH AND DEVELOPMENT

Research and development costs are charged to expense as incurred. Research and development funding by others is deferred and offset against capitalizable costs. Funded research and development in excess of capitalizable costs is recognized as contract research and development when the related product is ready for commercial release.

SIGNIFICANT CUSTOMERS

During the years ended December 31, 2007 and 2006, there were no customers accounting for more than 10% of revenues. Although the Company had no individual customers accounting for more than 10% of revenues, one of the Company s marketing partners that sells the Company s products directly to its customers accounted for 25.2% and 26.7% of revenues during 2007 and 2006, respectively. In addition, this same marketing partner accounted for 56.3% and 59.8% in gross accounts receivable as of December 31, 2007 and 2006, respectively.

INCOME PER COMMON SHARE

The following tables set forth the computation of basic and diluted earnings per share for the years ended December 31

	In ($000s)	
	2007	**2006**
Weighted average number of shares used in the basic		
Earnings per share computation	24,640	23,167
Effect of dilutive securities:		
Common stock options	2,112	846
Common stock warrants	2,960	1,261
Preferred stock convertible securities	12,497	13,854
Dilutive securities	17,569	15,961
Adjusted weighted average number of shares used in		
Diluted earnings per share computation	42,209	39,128

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED

Basic income per common share excludes dilution and is computed by dividing the net income by the weighted-average number of common shares outstanding during the periods presented. Diluted net income per common share reflects the potential dilution of securities that could participate in the earnings unless their effort is antidilutive. Stock options, warrants outstanding and their equivalents are included in diluted computations through the treasury stock method unless they are antidilutive. Convertible securities are included in diluted computations through the if converted method unless they are antidilutive. Common share equivalents are excluded from the computation, as their effect would be antidilutive.

STOCK BASED COMPENSATION

On January 1, 2006, the Company adopted SFAS No. 123R, Share Based Payment (SFAS 123R), which requires all share-based payments, including grants of stock options, to be recognized in the income statement as an operating expense, based on their grant date fair values.

Prior to adopting SFAS 123R, the Company accounted for stock-based employee compensation under Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (Opinion 25). The Company has applied the modified prospective method in adopting SFAS 123R.

Under SFAS 123R, forfeitures are estimated at the time of valuation and reduce expense ratably over the vesting period. This estimate is adjusted periodically based on the extent to which actual forfeitures differ, or are expected to differ, from the previous estimate. Under SFAS 123 and Opinion 25, the Company elected to account for forfeitures when awards were actually forfeited, at which time all previous pro forma expense was reversed to reduce pro forma expense for that period. As of December 31, 2007, the Company anticipates all outstanding options will vest.

The fair value of each option granted to employees was estimated at the date of the grant using a Black Scholes option pricing model with the following assumptions:

Assumptions:	
Dividend Yield	---
Volatility factor	105%
Risk free interest rate	4.10%
Expected Life of Option (in years)	10

Prior to the adoption of SFAS 123R, the Company did not recognize any tax benefits of deductions resulting from the exercise of stock options as operating cash flows in the Statement of Cash Flows, because the Company had no tax expense due to its prior years net losses. SFAS 123R requires the cash flows resulting from the tax benefits resulting from tax deductions in excess of the compensation cost recognized for those options (excess tax benefits) to be classified as financing cash flows. The Company had no such tax benefits during the current year so the adoption of SFAS 123R had no impact on the Company s Statement of Cash Flows.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

RECENTLY ISSUED FINANCIAL ACCOUNTING STANDARDS

In June 2006, the FASB issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise s financial statements in accordance with SFAS No. 109, Accounting for Income Taxes . This Interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. This Interpretation also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure. FIN 48 was adopted by the Company on January 1, 2007. The adoption of FIN 48 did not have a material impact on the consolidated financial statements.

In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 157, Fair Value Measurements, which defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. We do not expect the adoption of SFAS No. 157 to have a material impact on our consolidated financial statements. The FASB may delay a portion of this standard.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities. SFAS No. 159 permits companies to choose to measure many financial instruments and certain other items at fair value. SFAS No. 159 is effective for financial statements issued for fiscal years beginning after November 15, 2007. We do not expect the adoption of SFAS No. 159 to have a material impact on our consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (R), Business Combinations, and SFAS No. 160, Noncontrolling Interests in Consolidated Financial Statements. SFAS No. 141 (R) requires an acquirer to measure the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree at their fair values on the acquisition date, with goodwill being the excess value over the net identifiable assets acquired. SFAS No. 160 clarifies that a noncontrolling interest in a subsidiary should be reported as equity in the consolidated financial statements. The calculation of earnings per share will continue to be based on income amounts attributable to the parent. SFAS No. 141 (R) and SFAS No. 160 are effective for financial statements issued for fiscal years beginning after December 15, 2008. Early adoption is prohibited. We have not yet determined the effect on our consolidated financial statements, if any, upon adoption of SFAS No. 141 (R) or SFAS No. 160.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 2. RISKS AND UNCERTAINTIES

Global Med designs, develops, markets and supports information management software products for blood banks, hospitals, centralized transfusion centers and other healthcare related facilities. Global Med currently has customers and recognizes revenues from its proprietary products. However, prior to 2006, the number of customers and levels of revenue were not sufficient for Global Med to attain profitable operations. The Company s marketing partners are expected to play an important role in furthering the Company s continued domestic revenue growth.

NOTE 3. INCOME TAXES

The differences between the Company's provision (benefit) for income taxes as presented in the accompanying statements of operations and benefit for income taxes computed at the federal statutory rate is comprised of the items shown in the following table as a percentage of pre-tax income for the years ended December 31:

	in ($000 s)	
	2007	**2006**
Expected federal tax provision	$ 709	$ 522
Effect of permanent differences	89	(152)
Change in valuation allowance for deferred tax assets	(860)	(238)
State tax benefit, net of federal provision	142	20
Other	27	1
Income tax expense	$ 107	$ 153

The significant components of the deferred tax assets and liabilities as of December 31, were attributable to: in ($000s) 2007 2006

Deferred tax assets:		
Net operating loss carry forwards	$ 7,805	$ 8,536
Allowance for uncollectible accounts and notes Receivable	306	304
Non qualified stock option exercises	38	---
Unearned revenue and accrued expenses	2,363	1,706
Gross deferred tax assets	10,512	10,546
Valuation allowance	(9,686)	(10,546)
Net deferred tax assets	826	---
Deferred tax assets, net	$ 826	$ ---
Deferred tax liability:		
Accumulated depreciation	$ 17	$ ---
Capitalized software development	69	---
Deferred tax liability, net	$ 86	$ ---

GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The components of income tax expense are as follows for the years ended December 31:

		2007		2006
Current				
Federal	$	660	$	118
State		187		35
Deferred				
Federal		48		(218)
State		72		(20)
Valuation allowance	$	(860)		238
Total tax (benefit)		107	$	153

The Company has net operating loss carry forwards (NOLs) of approximately $19.8 million which expire in the years 2008 to 2025, all of which is subject to limitation under Section 382 of the Internal Revenue Code due to the various changes in equity ownership during 2005, 2000, 1999, and 1997.

We have recognized that it is more likely than not that certain future tax benefits may be realized as a result of current and future income. During the year ended December 31, 2007, the valuation allowance was decreased by $860 thousand to reflect higher than anticipated net deferred tax asset utilization of $740 thousand. We believe that it is more likely than not that future earnings will generate taxable income to utilize the net deferred tax assets recorded as of December 31, 2007.

The Financial Accounting Standards Board issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes-an Interpretation of FASB Statement No. 109" ("FIN 48"), which requires reporting of taxes based on tax positions which meet a more likely than not standard and which are measured at the amount that is more likely than not to be realized. Differences between financial and tax reporting which do not meet this threshold are required to be recorded as unrecognized tax benefits. FIN 48 also provides guidance on the presentation of tax matters and the recognition of potential IRS interest and penalties would be recorded as a component of tax expense. The provisions of FIN 48 were adopted by the Company on January 1, 2007 and had no effect on the Company's financial position, cash flows or results of operations upon adoption, as the Company did not have any unrecognized tax benefits. The Company also evaluated its tax positions as of December 31, 2007 and reached the same conclusion.

The Company files tax returns in the United States, in the states of California, Colorado (many others). The tax years 2003 through 2007 remain open to examination by the major taxing jurisdictions to which the Company is subject.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 4. LEASES AND DEBT

The Company leases equipment and office space. Rental expense under operating leases was approximately $297 thousand and $251 thousand for the years ended December 31, 2007 and 2006, respectively.

The following represents the future minimum lease payments for all capital leases as well as the non-cancelable operating leases at December 31, 2007 in ($000s):

		Capital Leases		**Operating Leases**
2008	$	31	$	282
2009		19		297
2010		---		285
2011		---		292
2012		---		301
Thereafter		---		214
Total minimum lease payments		50	$	1,671
Less amount representing interest		(13)		
Present value of minimum lease payments		37		
Less current portion of obligation under capital leases		(22)		
Obligation under capital lease, less current portion	$	15		

The Company recognized approximately $19 thousand in depreciation expense related to capital leases during the year ended December 31, 2007. Accumulated depreciation as of December 31, 2007 was approximately $65 thousand.

As of December 31, 2007, the value of the Company's outstanding capital leases included in the Company's balance sheet in equipment, furniture, and fixtures, had an underlying cost of $95 thousand and accumulated depreciation of $65 thousand. The interest rate on the capital lease is approximately 10.4% per year. This obligation is secured by the underlying capital assets.

The Company had outstanding unsecured debt with a bank in the amount of $25 thousand for which principal is to be paid in the amount of as follows: $14 thousand and $11 thousand for the years 2008 and 2009, respectively. Interest on the loan is approximately 9% per year.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

NOTE 5. STOCKHOLDERS EQUITY and MEZZANINE EQUITY

Sale of Series A Convertible Preferred Stock and Detachable Warrants

On December 16, 2005, pursuant to the terms of the Securities Purchase Agreement, the Company sold $9.975 million of Series A Convertible Preferred Stock (Series A) and warrants to certain investors. The Company received net proceeds of $9.590 million for the Series A. As of December 16, 2005, there were 100 thousand shares of Series A authorized and 9,975 shares of Series A outstanding with a stated value of $1 thousand per share. During the year ended December 31, 2007, 2,240 shares of Series A were converted into common stock. As of December 31, 2007, there were 7,735 shares of Series A outstanding. The $7.735 million in Series A is convertible at the holders option into common shares at $0.72 per share based on the Series A s stated value. Prior to March 29, 2006, the conversion price of the Series A and the related warrants was subject to reset, under certain circumstances, if the Company issued common stock or common stock equivalents at a price below $0.72 per share. The Series A is presently convertible into approximately 10.743 million shares of common stock at any time. The Company cannot issue dividends on the common stock while the Series A is outstanding unless an equal dividend is declared on the Series A. The dividend on the Series A would be calculated by determining the number of common shares the Series A is convertible into and then applying the same dividend to the Series A that was provided to the common shareholders. The holders of the Series A also received warrants to purchase 10.391 million common shares that can be exercised at $0.72 per share. These warrants have a cashless exercise feature and have a five-year term.

The following table summarizes the securities that were issued by the Company in conjunction with the above transaction.

Security	Number	Common Shares Equivalents
Series A Convertible Preferred Stock	9,975	13,854,167
Detachable Warrants	10,390,625	10,390,625

As discussed above, 2,240 shares of Series A was converted into common shares during 2007. Common shares underlying all of the securities mentioned above were registered during 2006.

The Company can force conversion of the Series A provided the following have occurred:

- The Company s stock has traded at or above a weighted average price of $3.50 per share for 20 consecutive trading days,
- The trading volume of the Company s common stock has averaged at least 150 thousand shares per day for 20 consecutive days trading days, and
- The common share ownership of the holder of the Series A after conversion would not represent more than 4.99% of the Company s outstanding common stock after conversion.

The Company is required to maintain continuous registration on all outstanding securities associated with the Series A agreements. These securities include the common shares underlying the Series A, the Series A that has been converted into common shares, and the warrants associated with Series A. In the event the continuous registration of these securities lapses for ten (10) consecutive days or more than fifteen (15) days during any year, the holders of these securities are entitled to receive 4% on each monthly anniversary that the common shares remain unregistered. This penalty is not to exceed twenty-four (24%) of the aggregate purchase price paid by the Series A holders. In the event the Company does not pay the paid partial liquidated damages specified above within one week, the outstanding fees will accrue interest daily at a rate of 18%. The maximum liquidated damages under this provision would be approximately $2.4 million.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

The Company accounted for the Series A based on its stated value. The Company accounted for the warrants based on an allocation of relative fair value from the stated value of the Series A. In addition, the Company recognized financing costs of $11.032 million associated with the embedded derivatives of the Series A and the related warrants.

For a period of one year from the effective date of the registration statement underlying the common shares on the Series A and the warrants, the holders of the Series A were entitled to up to 100% participation in any financing arrangements. In addition, until 90 days after the effective date of the registration statement for the common shares underlying the Series A and related warrants, the Company was not permitted to enter into equity sales or issue options unless they are to employees, officers or directors of the Company.

On December 16, 2005, the date the Company entered into the transaction to sell the Series A, the price of the Company s common stock was $1.15 per share and the conversion price was $0.72 per share. As a result of the conversion feature on the Series A, the Company recognized a deemed dividend to the Series A holders in the amount of approximately $9.975 million.

As discussed more fully in Note 7, the Series A and the related warrants, until March 29, 2006, had certain freestanding embedded derivative financial instruments requiring separate accounting treatment under Statement of Financial Accounting Standards No. 133 Accounting for Derivative Instruments and Hedging Activities (SFAS 133). The total fair value of the derivatives on December 16, 2005 was determined to be approximately $16.959 million and, accordingly, the entire $9.975 stated value of the Series A has been allocated to those derivative instruments. In addition, because the fair value of the derivatives exceeded the carrying value of the Series A, the Company recorded a charge for other financing costs equal to the excess value, in the amount of $11.032 million, upon consummation of the Series A transaction.

On March 29, 2006, the Company renegotiated certain terms related to the Series A and related warrants. From December 16, 2005 through March 28, 2006, the date prior to the renegotiated terms, the Company classified the Series A as mezzanine equity on the Company s balance sheet. As of March 29, 2006, the Company reclassified the Series A from mezzanine equity to equity based upon the renegotiated terms. The renegotiated terms resulted in the elimination and addition of several terms that made mezzanine equity treatment more appropriate for the period through March 28, 2006. The significant terms that were eliminated and added are as follows:

1. Removal of cash payout for events that were outside the control of the Company, which included a change of control;
2. Removal of certain clauses that would result in the resetting of the conversion price for the Series A and the related warrants in the event that the Company issued common share equivalents at a price that was less than the conversion price or exercise price of $0.72 per common share;
3. Removal of provisions that allowed for dividends to occur in the future under certain circumstances;
4. Removal of preference in liquidation;
5. Addition of certain voting rights for preferred shareholders; and
6. The ability for the Company to determine a maximum number of common shares that the holders can convert the Series A and related warrants into.

In addition, the revised terms have resulted in the Series A being closely and clearly related to equity. The changes to the related warrant agreement also resulted in the warrants no longer containing any embedded derivatives. As a result, the Company believes that the embedded derivatives identified with the Series A and the related warrants that existed prior to the renegotiated terms are no longer applicable. As a result, the Company reversed the remaining outstanding liability associated with the embedded derivatives in the amount of $14.543 million, which included $724 thousand of gain recognized during the year ended December 31, 2006, to additional paid in capital for the year ended December 31, 2006.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Options and Warrants Exercised

During the years ended December 31, 2007 and 2006, 351 thousand and 257 thousand options, respectively, were exercised and the Company received $232 thousand and $163 thousand, respectively, in cash proceeds. No warrants were exercised during 2007 or 2006.

Conversion of Preferred Stock to Common Stock

During the year ended December 31, 2007, 2,240 shares of Series A were converted into approximately 3.111 million shares of common stock. No Series A shares were converted into common stock during the year ended December 31, 2006.

NOTE 6. STOCK OPTION PLANS, WARRANTS, AND STOCK COMPENSATION PLAN

The Second Amended and Restated 1997 Stock Option Plan (Plan) provides for the issuance of options to purchase up to 2.2 million registered shares of common stock to employees, officers, directors and consultants of the Company. Options may be granted as incentive stock or as nonqualified stock options.

Only employees of the Company are eligible to receive incentive options. As of May 31, 2000, options could no longer be issued under this Plan. As of December 31, 2007, options to purchase 637 thousand shares of the Company s common stock at a weighted average exercise price of $0.80 per share were outstanding under the Plan, of which all of the options to purchase shares were exercisable at December 31, 2007.

In the second quarter of 2001, the Company adopted the 2001 Stock Option Plan (2001 Plan). The 2001 Plan as amended provides for the issuance of options to purchase up to 10 million registered shares of common stock to employees, officers, directors and consultants of the Company. Options may be granted as incentive stock options or as nonqualified stock options. Only employees of the Company are eligible to receive incentive options. The 2001 Plan expires on December 28, 2010. As of December 31, 2007, options to purchase 6.166 million shares of the Company s common stock at a weighted average exercise price of $0.90 per share were outstanding under the 2001 Plan, of which 5.110 million options to purchase shares were exercisable at December 31, 2007. Options granted under the Plan vest on a straight-line basis, based on schedules as determined by the Board of Directors upon grant and generally expire 10 years after grant. During 2007, the Company issued 117 thousand stock options, 11 thousand were exercised, and 51 thousand options were cancelled under the 2001 Plan.

In June 2003, the Company s Board of Directors approved the 2003 Stock Option Plan (2003 Plan). The 2003 Plan provides for the issuance of stock options exercisable to purchase up to 5 million shares of the Company s common stock to employees, officers, directors and consultants. As of December 31, 2007, there were options to purchase 3.721 million shares under the 2003 Plan that were issued to such persons. The Company filed an S-8 registration statement to register the 5 million shares issuable under the 2003 Plan in May 2004. The range of the exercise prices for these options is $0.45 to $1.50 per share. The weighted-average exercise price of these options is $0.68 per share. All of these options were exercisable as of December 31, 2007.

The Company also periodically grants options to purchase shares of restricted common stock. The shares underlying these options are not registered under the 1933 Act. As of December 31, 2007, there were options to purchase 300 thousand shares of common stock at a weighted average exercise price of $0.92 per share. Of these options, 238 thousand all were exercisable at December 31, 2007.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

During 2007, the Company granted approximately 100 thousand options to consultants that were not granted under any option plan. The Company recognized approximately $13 thousand in expenses associated with these grants. The weighted average fair value of the options granted during 2007 was approximately $119 thousand. For the year ended December 31, 2007, the Company recognized $265 thousand in compensation expense associated with the vesting of stock options and was allocated to the same expense categories as the base compensation for key employees who participate in our stock option plans.

As of December 31, 2007, the unrecognized compensation expense related to unvested options as of that date was approximately $1.150 million.

When options are exercised, the Company issues new shares of common stock that have been reserved for such issuance.

The following table presents the options outstanding and exercisable:

	Options Outstanding				Exercisable Options			
Range of exercise prices	Amount	Aggregate Intrinsic Value	Price*	Life**	Amount	Aggregate Intrinsic Value	Price*	Life**
$ 0.45 - 0.55	94,000		$ 0.49	3.6	92,000		$ 0.49	3.6
0.56 - 1.00	7,244,102		0.65	2.9	6,935,089		0.65	2.8
1.01 - 1.50	3,485,500		1.18	6.7	2,678,810		1.18	6.6
Total December 31, 2007	10,823,602	$ 8,871,782	0.82	4.2	9,705,899	$ 7,677,734	0.79	3.8

The following table presents the activity for options for the years ended as of December 31:

	2007		2006	
	Options	Price*	Options	Price*
Outstanding, beginning of year	11,585,108	$ 0.87	11,802,189	$ 0.87
Granted	216,436	0.73	680,000	0.84
Forfeited/cancelled	(626,942)	1.78	(640,323)	0.85
Exercised	(351,000)	0.66	(256,758)	0.69
Outstanding, end of year	10,823,602	0.82	11,585,108	0.87

* Price reflects the weighted average exercise price.

The following table presents the composition of options outstanding and exercisable as of December 31, 2007:

**Price and life reflect the weighted average exercise price and weighted average remaining contractual life, respectively.

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Warrants

The following summarizes the outstanding warrants to purchase shares of common stock of Global Med for the years ended December 31, 2007 and 2006:

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2005 and 2006	12,393,926	0.69
Expired	(53,300)	1.25
Balance at December 31, 2007	12,340,626	0.69

All of the outstanding warrants are exercisable with exercise prices that range from $0.25 to $1.00 per share and expire in the years 2008 to 2010.

NOTE 7. DERIVATIVE FINANCIAL INSTRUMENTS

In connection with the issuance of the Series A and the related warrants (see Note 5), on December 16, 2005 and prior to March 29, 2006 when certain terms of the Series A were renegotiated, the Company evaluated the terms and conditions of both instruments, and the related warrants, in order to determine whether such terms and conditions and warrants represent embedded or freestanding derivative instruments under the provisions of SFAS 133 and Emerging Issues Task Force issue No. 00-19, Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in a Company s Own Stock (EITF 00-19). As a result of these evaluations, the Company determined that certain original features of the Series A prior to the renegotiated terms on March 29, 2006 were deemed to be embedded derivatives. These features are as follows:

- Conversion feature;
- Variable number of shares to be issued upon certain triggering events;
- Anti-dilution clause, and
- Change in control redemption premium clause

The warrants related to the Series A contain an anti-dilution clause which is deemed to be an embedded derivative. The embedded derivatives are accounted for on a bundled basis in accordance with SFAS 133 Implementation Issue No. B-15.

The estimated fair value of the derivative instruments were as follows:

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GLOBAL MED TECHNOLOGIES, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	December 31, 2005	March 28, 2006
Series A:		
Conversion Feature	$ 14,270	$ ---
Variable Number of Shares	253	---
Anti-Dilution	321	---
Change in Control	125	---
Warrants:		---
	14,969	
Anti-Dilution		---
	298	
Total	$ 15,267	$ ---

The net change in estimated fair value for the period from January 1, 2006 through March 29, 2006 (renegotiation date) included a recognized gain of $724 thousand.

NOTE 8. CONTRIBUTIONS TO RETIREMENT PLAN

The Company has a 401(k) retirement plan which covers eligible employees, as defined, of the Company (the 401(k) Plan). Employees may defer up to fifteen percent of their annual compensation up to the maximum amount as determined by the Internal Revenue Service. Under the 401(k) Plan, the Company, at its discretion, may make contributions to the plan. No Company contributions were made to the 401(k) Plan in 2007 or 2006.

NOTE 9. COMMITMENTS AND CONTINGENCIES

The Company has certain operating and capital lease obligations outstanding as of December 31, 2007. The obligations associated with these operating and capital leases are more fully described in Note 4.

In September 2002, Global Med filed a lawsuit against Donnie L. Jackson, Jr., Global Med s former Vice President of Sales and Marketing. Global Med alleges, among other things, that prior to his resignation in July 2002 Mr. Jackson misappropriated certain trade secrets of Global Med. After leaving Global Med, Mr. Jackson became a management employee of one of Global Med s competitors. On March 30, 2005, the Superior Court of the State of California in and for the County of El Dorado granted the motion for summary judgment for Donnie L. Jackson, Jr. On September 1, 2005, the Company deposited $1.004 million with the Superior Court in the State of California in the County of El Dorado. This deposit represented potential fees and attorneys costs the Company could be required to pay in the event the Company did not prevail on appeal. The $1.004 million is classified as a Deposit in escrow on the Company s balance sheet as of December 31, 2006. Based on external evidence and the advice of legal counsel, the Company determined that it was more likely than not that the Company would be required to pay the $1.004 million. As a result, the Company expensed the amount of the Deposit in escrow and set up a liability for $1.004 million during 2005. In December 2006, the summary judgment was reversed by the California Court of Appeals and the matter was remanded to the trial court. In May 2007, the $1.004 million Deposit in escrow was returned to the Company along with $80 thousand in accrued interest. As of December 31, 2007, the Company reclassified the Deposit in escrow as a long-term liability based on the prevailing circumstances of the case. As of December 31, 2007, the Company has determined that the return of the deposit and other circumstances surrounding the case prohibit the Company from reversing the accrual of the $1.004 million under SFAS 5, Accounting for Contingencies . The Company intends to continually re-evaluate the facts and circumstances surrounding the case and the related accounting.

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ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 8A(T). CONTROLS AND PROCEDURES

Evaluation Of Disclosure Controls And Procedures.

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company s Principal Executive Officer/Principal Financial Officer, of the effectiveness of the design and operation of the Company s disclosure controls and procedures. The Company s disclosure controls and procedures are designed to provide a reasonable level of assurance of achieving the Company s disclosure control objectives. The Company s Management has concluded that the Company s disclosure controls and procedures are, in fact, not effective at this reasonable assurance level as of the period covered because of the identification of a single material weakness in our internal control over financial reporting which is identified below, which we view as an integral part of our disclosure controls and procedures.

Changes In Internal Controls Over Financial Reporting.

In connection with the evaluation of the Company s internal controls during the Company s last fiscal quarter, the Company s Principal Executive Officer and Vice President of Finance have determined that there are no changes to the Company s internal controls over financial reporting that has materially affected, or is reasonably likely to materially effect, the Company s internal controls over financial reporting.

Management s Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in the Securities Exchange Act as a process designed by, or under the supervision of, the Company s principal executive and principal financial officers, or persons performing similar functions, and effected by the Company s board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company s management and directors and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company s assets that could have a material effect on the financial statements.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in there being a more than remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected. In its assessment of the effectiveness of internal control over financial reporting as of December 31, 2007, the Company determined that there was a single control deficiency that constituted a material weakness as described below.

The Company lacked the technical income-tax related expertise and adequate oversight controls to ensure compliance with SFAS No. 109, Accounting for Income Taxes. This material weakness will be rectified through the Company hiring a third-party income tax consultant to review its accounting for income taxes pursuant to SFAS No. 109 and related computations on a go-forward basis.

As a point of clarification, the Company's controls over its tax provision were reviewed during 2007, and there were no internal control deficiencies noted. When the Company's year end tax provision was audited, it was discovered that a material taxable item had not been included in taxable income on the Company's provision. This specific item related to funds that the Company had put into escrow during 2005 pending the results of certain litigation disclosed at that time. At the time of making the deposit to escrow, the Company accrued and expensed litigation costs in the same amount. Because the funds put into escrow were deemed to be no longer in the Company's control, the Company reduced taxable income during 2005. During 2007, these funds in escrow were returned to the Company. Because these funds were deemed to be within the control of the Company during 2007, this was deemed to be a taxable item during 2007. The tax provision was then adjusted to reflect the inclusion of this significant taxable item which resulted in a material weakness. This singular material weakness resulted in the Company's disclosure controls being labeled as not effective as of December 31, 2007 and will be rectified on a go-forward basis as described above.

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This annual report does not include an attestation report of the Company s registered public accounting firm regarding internal control over financial reporting. Management s report was not subject to the attestation by the Company s registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management s report in this annual report.

The Company s management, under the supervision and with the participation of the Company s Chief Executive Officer and Vice President of Finance, carried out an assessment of the effectiveness of the Company s internal control over financial reporting as of December 31, 2007. The Company s management based its evaluation on criteria set forth in the framework in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, management has concluded that the Company s internal control over financial reporting not was effective as of December 31, 2007.

ITEM 8B. OTHER INFORMATION

[NONE]

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS, CONTROL PERSONS. COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

Identification of Directors and Executive Officers

The following sets forth certain information with respect to the officers and directors of the Company.

MANAGEMENT

Our directors and executive officers and their ages as of the date of this filing are as follows:

Name	Age	Position	Officer or Director Since
Michael I. Ruxin, M.D.	62	Chairman of the Board and Chief Executive Officer	1989
Thomas F. Marcinek	54	President and Chief Operating Officer and Director	1998
Darren P. Craig	43	Vice President of Finance	2007
Robert R. Gilmore	56	Director	2006
Sarah L. Eames	49	Director	2006
T. Kendall Ken Hunt	64	Director	2006

The directors of Global Med are elected to hold office until the next annual meeting of shareholders and until their respective successors have been elected and qualified. Officers of Global Med are elected by the Board of Directors and hold office until their successors are elected and qualified.

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The following sets forth biographical information concerning Global Med s directors and executive officers for at least the past five years. All of the following persons who are executive officers of Global Med are full time employees of Global Med.

Michael I. Ruxin, M.D., the founder of Global Med, has been an officer and director of Global Med since its incorporation in 1989 and is currently the Chairman and Chief Executive Officer of Global Med. Dr. Ruxin received a B.A. degree from the University of Pittsburgh and a M.D. degree from the University of Southern California. Dr. Ruxin is a licensed physician in California and Colorado.

Thomas F. Marcinek became a Director of Global Med Technologies, Inc. on March 31, 2006 and has been the President and Chief Operating Officer since March 1998. Previously, Mr. Marcinek was the President of the Data Technologies Group, a division of Henry Schein, Inc., Melville, New York. Mr. Marcinek was also the president and owner of a practice management software consulting firm prior to joining Global Med. Mr. Marcinek received his BA Degree in Management with Honors from St. Mary's College of California and has nearly two decades experience as an MIS specialist.

Darren Craig is the Company s Vice President of Finance. Mr. Craig has been with the Company since October 2000. Mr. Craig was formerly with Ernst & Young as an audit manager. Mr. Craig has a Masters in Accounting from the University of Southern California and also received a B.S. in Finance from San Diego State University. Mr. Craig is a CPA.

Robert R. Gilmore became a Director and Audit Committee Chairman of Global Med Technologies, Inc. on March 31, 2006. Mr. Gilmore became a member of the Compensation Committee on October 26, 2007. Mr. Gilmore is a CPA and, since May 2006, has been the CFO of NextAction Corporation, a private company engaged in multi-channel direct marketing using technology based proprietary lead generation methods for the retail industry. Previously, Mr. Gilmore served as an independent financial consultant to a number of companies, including NextAction Corporation. Mr. Gilmore was the Chief Financial Officer of Teamshare, Inc. (a software company) from 2000 to 2002 and as Vice President Finance and Chief Financial Officer of Dakota Mining Corporation from 1991 to 1997. Mr. Gilmore is a Director of Eldorado Gold Corporation, serving as Chairman of its Audit Committee and is a member of its Compensation Committee. Mr. Gilmore is also a Director of Fronterra Copper Corporation and serves as the Chairman of its Audit Committee. Mr. Gilmore is also a Director of Pixxures, Inc., a private company providing digitally produced aerial mapping products and services.

Sarah L. Eames became a Director, Audit Committee member, and Chairman of the Compensation Committee of Global Med Technologies, Inc. on March 31, 2006. Separately, she has served as a director of Allied Healthcare International since June 2002 and as Executive Vice President of the company since November 2004, except that from July 2007 to January 2008, she served as Deputy Chair and Interim CEO. She served as Chief Executive Officer of the company from January 2004 to November 2004, as Chief Operating Officer of the company from June 2001 to November 2004, and as President of the company from May 1998 to November 2004. She was Executive Vice President of Business Development and Marketing of the company from June 1997 to May 1998. Prior to joining the Allied Healthcare International, Ms. Eames was employed by Johnson & Johnson Professional, Inc. as a Business Development Consultant from 1996 to 1997. From June 1995 to November 1995, Ms. Eames served as Vice President of Marketing for Apria Healthcare Group, Inc., a California-based home healthcare company. From 1980 to 1995, Ms. Eames held various marketing and business development positions at Abbey Healthcare Group Inc., a predecessor of Apria Healthcare Group, Inc.

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T. Kendall Ken Hunt became a Director and member of the Audit Committee of Global Med Technologies, Inc. on March 31, 2006. Mr. Hunt became a member of the Compensation Committee on October 26, 2007. Mr. Hunt is Founder, Chairman of the Board and Chief Executive Officer of VASCO Data Security International, Inc. (NASDAQ: VDSI) (www.vasco.com) VASCO is a leading supplier of strong authentication and e-signature solutions and services specializing in Internet Security applications and transactions. VASCO has positioned itself as a global software company for Internet Security serving a customer base of close to 6,500 companies in more than 110 countries, including approximately 1,000 international financial institutions. VASCO s prime markets are the financial sector, enterprise security, e-commerce and e-government. He is also affiliated with several high-tech early-stage companies, serving as a member of the Board of Directors Victory Park Capital L. P. since June 2007, ProofSpace, Inc. since August 2007, and RedRoller, Inc. since December 2007. Mr. Hunt is President of the Belgian Business Club of Chicago and a member of the Economic Club of Chicago. Additionally, he is on the Advisory Board for the Posse Foundation, an organization dedicated to providing full college scholarships to urban minority youth leaders through its partnerships with elite universities across the U.S. He holds an MBA from Pepperdine University, Malibu, California, and a BBA from the University of Miami, Florida.

Audit Committee

On March 31, 2006, Robert Gilmore, Sarah Eames and Ken Hunt became members of the Company s Audit Committee. The audit committee members met four times during 2007 to approve the Form 10-KSB, each Form 10-QSB and met in 2007 to approve the Form 10-KSB. Mr. Gilmore is considered a financial expert. All of the Audit Committee s members are considered independent. A current copy of the Audit Committee charter, which our Board has adopted, is available on our website at www.globalmedtech.com. A copy of the Audit Committee Charter may also be obtained, free of charge, by writing to the Secretary of Global Med Technologies, Inc., 2600 West Colfax, Suite C-420, Lakewood, Colorado 80215.

Compensation Committee

The Compensation Committee, whose chairman is Mrs. Eames and whose other current members are Mr. Gilmore and Mr. Hunt met twice in 2007. This committee is responsible for establishing our executive officer compensation policies and administering such policies. The Compensation Committee studies, recommends and implements the amount, terms and conditions of payment of certain forms of compensation to executive officers.

Compensation Committee Interlocks and Insider Participation. Both Dr. Ruxin, Chairman and CEO of the Company, and Mr. Marcinek, President, Chief Operating Officer and Director of the Company were members of the Compensation Committee until October 26, 2007. As members of the Compensation Committee, they participated in deliberations with the Company s Board of Directors concerning executive officer compensation. The employment agreements of Dr. Ruxin and the Company s other named executive officers are determined and approved by the Board of Directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Based on information provided to the Company, and except as stated below, it is believed that all of the Company s directors, executive officers and persons who own more than 10% of the Company s common stock were in compliance with Section 16(a) of the Exchange Act of 1934 during the last fiscal year. T. Kendall Hunt failed to file a Form 4 related to the receipt of an option granted during 2007. Sarah Eames failed to file a Form 4 related to the receipt of an option granted during 2007. Robert Gilmore failed to file a Form 4 related to the receipt of an option granted during 2007. Darren Craig failed to timely file a Form 3 with respect to outstanding options when he became an officer of the Company.

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Code of Ethics

The Company has a Code of Ethics that has been approved by the Board of Directors. The Code of Ethics was filed as an exhibit to the Company s Form S-1 Registration Statement that was filed on December 6, 2004. The Code of Ethics was filed as Exhibit 10.72 to the Form S-1. A current copy of the Code of Ethic is available on our website at www.globalmedtech.com. A copy of the Code of Ethics may also be obtained, free of charge, by writing to the Secretary of Global Med Technologies, Inc., 2600 West Colfax, Suite C-420, Lakewood, Colorado 80215.

ITEM 10. EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth information regarding compensation paid to the Company s CEO and the other executive officers of the Company who received in excess of $100 thousand of salary and bonus from the Company during the three years ended December 31, 2007:

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	All Other Compensation ($)		Total ($)
Michael I. Ruxin, M.D.	2007	$ 367,500	-	-	-	14,819	(1)	$ 379,645
Chairman and	2006	$ 351,714	-	-	-	20,044	(2)	$ 371,758
CEO	2005	$ 290,866	50,000	-	287,500	19,379	(3)	$ 647,745
Thomas F. Marcinek,	2007	$ 260,000	-	-	-	6,558	(4)	$ 264,000
President and	2006	$ 259,037	-	-	- -	6,671	(5)	$ 265,708
COO	2005	$ 204,616	25,000	-	287,500	8,288	(6)	$ 525,404
Darren P. Craig, Vice President of Finance	2007	$ 149,039	-	-	-	-		$ 149,039

(1) Dr. Ruxin received $5,912 in life insurance premiums, an annual car allowance of $6,233, and $2,674 in medical reimbursements.

(2) Dr. Ruxin received $5,912 in life insurance premiums, an annual car allowance of $9,183, and $4,949 in medical reimbursements.

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(3) Dr. Ruxin received $5,912 in life insurance premiums, an annual car allowance of $9,810, and $3,657 in medical reimbursements.

(4) Mr. Marcinek received a $5,400 per year car allowance and $1,158 in medical reimbursement.

(5) Mr. Marcinek received a $5,400 per year car allowance and $1,271 in medical reimbursements.

(6) Mr. Marcinek received a $5,400 per year car allowance and $2,888 in medical reimbursements.

None of the executive officers or employees received non-equity incentive plan or deferred compensation for any of the periods listed above.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

	Option Awards				
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price ($)	Option Expiration Date
			Target ($)	Maximum ($)	Threshold ($)
Michael I. Ruxin,	1,000,000	-	-	$ 0.75	8/27/2008
M.D. Chairman and					
CEO	250,000	-	-	$ 0.75	8/27/2008
	1,000,000	-	-	$ 0.56	10/12/2009
	500,000	-	-	$ 0.58	10/25/2012
	250,000	-	-	$ 1.15	12/16/2015
Thomas F. Marcinek,	315,000	-	-	$ 0.75	8/27/2008
President and COO	150,000	-	-	$ 0.75	8/27/2008
	500,000	-	-	$ 0.56	10/12/2009
	500,000	-	-	$ 0.58	10/12/2012
	250,000	-	-	$ 1.15	12/16/2015
Darren P. Craig, Vice					
President of Finance	50,000	-	-	$ 1.05	10/23/2010
	150,000	-	-	$ 0.58	10/25/2012
	185,000	315,000	-	$ 1.15	12/16/2015

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During 2007, there were no plan-based grants, no option exercises or vesting, no pension benefits accrued, and no non-qualified deferred compensation for the executive officers of the Company. In addition, there were no stock-based awards outstanding as of December 31, 2007.

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Options Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Robert R. Gillmore	$ 8,000	$ -	$ 30,000	$ -	$ -	$ -	$ 38,000
Sarah L. Eames	$ 8,000	$ -	$ 30,000	$ -	$ -	$ -	$ 38,000
T. Kendall Ken Hunt	$ 8,000	$ -	$ 25,000	$ -	$ -	$ -	$ -

Stock Option Plans and Other Issuances

In the second quarter of 2001, Global Med adopted the 2001 Stock Option Plan (2001 Plan). The 2001 Plan provided for the issuance of options to purchase up to 15 million registered shares of common stock to employees, officers, directors and consultants of Global Med. Options may be granted as incentive stock options or as nonqualified stock options. Only employees of Global Med are eligible to receive Incentive Options. The 2001 Plan expires on December 28, 2010. In June 2003, the Board of Directors of Global Med approved a change in the 2001 Plan. The Board of Directors of Global Med authorized an amendment to the 2001 Plan reducing the number of common shares reserved and authorized for issuance by 5 million. Effective in June 2003, the total number of common shares approved for issuance under the 2001 Plan as authorized by the Board was reduced from 15 million to 10 million. Global Med filed an amendment to the existing Form S-8 registration statement for the 2001 Plan to effect this change on May 20, 2004. As of December 31, 2007, options to purchase 6.166 million shares of Global Med s common stock at a weighted average exercise price of $0.90 per share were outstanding under the 2001 Plan, of which 5.110 million options to purchase shares were exercisable at December 31, 2007. Options granted under the Plan typically vest on a straight-line basis, based on schedules as determined by the Board of Directors upon grant and generally expire 10 years after grant. During the year ended December 31, 2007, Global Med issued 117 thousand stock options under the 2001 Plan, 11 thousand were exercised, and 51 thousand were cancelled.

Non-employee Directors are compensated at a rate of $1 thousand per board meeting they attend. In addition, each non-employee Director receives annual stock options grants for which the underlying value of the common stock received in the grant is $25 thousand. In addition, non-employee Directors who also Chair either the audit committee or the compensation committee, receive option grants for which the underlying value of the common stock received annually is $5 thousand.

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In June 2003, Global Med s Board of Directors approved the 2003 Stock Option Plan (2003 Plan). The 2003 Plan provides for the issuance of stock options exercisable to purchase up to 5 million shares of Global Med s common stock to employees, officers, directors and consultants. The Board of Directors also approved the inclusion of options to purchase approximately 4.707 million shares under the 2003 Plan that were issued to such persons prior to the adoption of the 2003 Plan and lacked registration rights. Global Med filed a Form S-8 registration statement to register the 5 million shares issuable under the 2003 Plan on May 20, 2004. As of December 31, 2007 there were approximately 3.721 million options outstanding under this plan with exercise prices ranging from $0.45 to $1.50 per share. The weighted- average exercise price of these options is $0.68. All of these options were exercisable as of December 31, 2007.

The Second Amended and Restated Stock Option Plan (Plan) provides for the issuance of options to purchase up to 2.2 million registered shares of common stock to employees, officers, directors and consultants of Global Med. Options may be granted as incentive stock or as nonqualified stock options. Only employees of Global Med are eligible to receive Incentive Options. As of May 31, 2000, options could no longer be issued under this Plan. As of December 31, 2007, options to purchase 637 thousand shares of Global Med s common stock at a weighted average exercise price of $0.80 per share were outstanding under the Plan, of which all of these options to purchase shares were exercisable at December 31, 2007.

Global Med also periodically grants options to purchase shares of registered common stock. The shares underlying these options are not registered under the Securities Act of 1933, as amended. As of December 31, 2007, there were outstanding options to purchase 300 thousand shares of common stock at a weighted-average exercise price of $0.92 per share. Of these options, 238 thousand were exercisable as of December 31, 2007.

Option Grants Table

During 2007 and 2006, no options were granted to the Company s Executive Officers.

Name	Shares Acquired on Exercise	Realized	Number of Unexercised Options at Year-end Exercisable/ Unexercisable	Value of Unexercised In-the-Money Options at year-end ($) Exercisable/ Unexercisable (1)
Michael I. Ruxin, M.D.	---	---	3,000,000 / 0	$ 1,182,500 / 0
Thomas F. Marcinek	35,000	$ 13,360	1,715,000 / 0	663,450 / 0
Darren P. Craig	--	---	385,000/315,000	76,500/0

(1) Based on the closing price of the Company s Stock of $1.08 per share on December 31, 2007.

Long-Term Incentive Plan (LTIP) Awards Table

No Options were granted during 2007 to Dr. Ruxin, Mr. Marcinek or Mr. Craig.

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Compensation Of Directors

Standard Arrangements. The Company pays the directors, who are not also employees of the Company, a fee of $1,000 for each board meeting they attend. The non-employee members of the Company s Board of Directors also receive annual stock option grants valued at $25 thousand based on the underlying value of the common shares. In addition, the Audit Committee Chairman and the Compensation Committee Chairman each receive annual option grants valued at $5 thousand based on the underlying value of the common shares. These options vest ratably on a monthly basis over a one-year period.

Other Arrangements. On November 1, 2002, the Company entered into an Employment Agreement with Dr. Ruxin for a period of five years commencing August 1, 2003 and ending August 1, 2008. Dr. Ruxin s salary shall be reviewed on an annual basis and if his performance is deemed satisfactory, he shall receive a minimum 7.5% cost of living increase, plus any other increase which may be determined from time to time at the discretion of the Company s Board of Directors. In addition, on December 16, 2005, the Company s Board of Directors approved that Dr. Ruxin would get a minimum annual cost of living salary increase in the absence of annual approval by the Board of Directors. In addition, Dr. Ruxin shall be eligible for a performance increase. Pursuant to Dr. Ruxin s Employment Agreement, the Company authorized the issuance to Dr. Ruxin of 500 thousand total incentive stock options and nonqualified stock options to purchase an aggregate of 500 thousand shares of the Company s common stock. All of these options are now exercisable. The stock option exercise price shall be $0.58, which is the closing price on the execution of Dr. Ruxin s Employment Agreement. Following the termination of this Agreement by the Employer for any reason other than Cause, Death, or the temporary or permanent disability of Employee, the Employee shall be entitled to compensation and benefits for twenty-four (24) months following the date of termination or the remainder of the contract, whichever is less. On December 16, 2005, the Company issued Dr. Ruxin 250 thousand options at an exercise price of $1.15 per share, the fair market value on the date of grant, all of which vested immediately.

Dr. Ruxin may terminate his employment with the Company upon the occurrence of any of the following events followed by written notice from the Dr. Ruxin to the Company: the sale by Company of substantially all of its assets; a decision by Company to terminate its business and liquidate its assets; the merger or consolidation of Company with another entity or an agreement to such a merger or consolidation or any other type of reorganization; the Company makes a general assignment for the benefit of creditors, files a voluntary bankruptcy petition, there are material reductions in Dr. Ruxin s duties and responsibilities without his written consent or a demotion from the position of CEO; termination by the Company of Dr. Ruxin s employment with the Company for any reason other than cause, or a five percent reduction in Dr. Ruxin s base compensation (not including bonus).

On November 4, 2002, the Company entered into an Employment Agreement with Thomas F. Marcinek for a period of five years commencing November 2, 2003 and ending November 2, 2008. Mr. Marcinek s salary shall be reviewed on an annual basis and if his performance is deemed satisfactory, he may receive a minimum 7.5% cost of living increase, plus any other increase which may be determined from time to time at the discretion of the Company s Board of Directors. In addition, Mr. Marcinek shall be eligible for a performance increase. Following the termination of this Agreement by the Company for any reason other than cause, death, or the temporary or permanent disability of Mr. Marcinek, Mr. Marcinek shall be entitled to compensation and benefits for twenty-four (24) months following the date of termination or the remainder of the contract, whichever is less.

Pursuant to Mr. Marcinek s Employment Agreement, the Company authorized the issuance to Mr. Marcinek of 500 thousand total incentive stock options and nonqualified stock options to purchase an aggregate of 500 thousand shares of the Company s common stock. All of these options are now exercisable. The stock option exercise price shall be $0.58, which is the closing price on the execution of Mr. Marcinek s Employment Agreement. On December 16, 2005, the Company issued Mr. Marcinek 250 thousand options at an exercise price of $1.15 per share, the fair market value on the date of grant, all of which vested immediately.

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The Compensation Committee is responsible for recommending the salary and other incentive compensation for executive officers. For the year ended December 31, 2007, the Compensation Committee recommended certain bonus levels for the Company s executive officers that were based on achieving certain revenue and pre-tax income targets. Based on the recommendations of the Compensation Committee and the approval of the Company s Board of Directors, Dr. Ruxin, Mr. Marcinek, and Mr. Craig will receive cash bonuses of approximately $102 thousand, $73 thousand, and $23 thousand, respectively, based on the Company s operating results for 2007. These bonuses have been accrued in the financial statements for the year ended December 31, 2007 and are to be paid during 2008.

The Compensation Committee has not yet approved the 2008 bonus plan.

During 2001, the Board of Directors authorized that $50 thousand be paid to Dr. Ruxin and $25 thousand be paid to Mr. Marcinek of the accrued salaries due them. During 2001, Dr. Ruxin received $27 thousand dollars and Mr. Marcinek received $14 thousand of the accrued salaries due them. During 2002, Dr. Ruxin was paid approximately $23 thousand of the accrued salary increase due him and Mr. Marcinek was paid approximately $11 thousand of the accrued salary due him. As of December 31, 2002, the Company had paid Dr. Ruxin $50 thousand and Mr. Marcinek $25 thousand of the salary increases due them.

On April 14, 2004, the Dr. Ruxin agreed to convert outstanding accrued vacation and accrued wages as of February 29, 2004, with a book value of approximately $284 thousand into approximately 675 thousand shares of Series BB Preferred Stock.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

PRINCIPAL SHAREHOLDERS

The following table presents certain information regarding the beneficial ownership of all shares of common stock at February 15, 2007 for each executive officer and director of our Company and for each person known to us who owns beneficially more than 5% of the outstanding shares of our common stock. The percentage ownership shown in such table is based upon the February 15, 2008 common shares outstanding at February 15, 2008 and ownership by these persons of options or warrants exercisable within 60 days of such date. Also included is beneficial ownership on a fully diluted basis showing all authorized, but unissued, shares of our common stock at February 15, 2008 as issued and outstanding. Unless otherwise indicated, each person has sole voting and investment power over such shares.

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		Amount and Nature of Beneficial Ownership(1)				
Name and Address	Position With Company	Shares of Common Stock	Percent of Common Stock Out-Standing	Shares Underlying Derivative Securities	Combined Shares of Common Stock and Shares Underlying Derivative Securities	Combined Percent of Common Stock
Michael I. Ruxin, M.D.	Chairman of the Board	832,148	3.1%	3,000,000	3,832,148	12.9%
12600 W. Colfax	and Chief Executive					
Suite C-420	Officer and Director					
Lakewood, CO 80215						
Thomas F. Marcinek	Director, President and	73,500	0.3%	1,697,000	1,770,500	6.2%
4925 Robert J. Mathews	Chief Operating					
Parkway, Suite 100	Officer					
El Dorado Hills, CA 95762						
Darren P. Craig	Vice President of	-0-	0.0%	385,000(7)	385,000	1.4%
4925 Robert J. Mathews	Finance					
Parkway, Suite 100						
El Dorado Hills, CA 95762						
Kim Geist	Secretary	-0-	0.0%	53,000	53,000	0.2%
12600 W. Colfax						
Suite C-420						
Lakewood, CO 80215						
Robert R. Gilmore	Director	-0-	0.0%	71,095	71,095	0.3%
12600 W. Colfax						
Suite C-420						
Lakewood, CO 80215						
Sarah L. Eames	Director	-0-	0.0%	71,095	71,095	0.3%
12600 W. Colfax						
Suite C-420						

Lakewood, CO 80215						
T. Kendall Hunt	Director	30,000	0.1%	59,246	89,246	0.3%
12600 W. Colfax Suite C-420 Lakewood, CO 80215						
All Directors and Executive Officers as a group (7 persons)		935,648	3.5%	5,336,436	6, 272,084	19.6%
Victory Park Capital Advisors, LLC	None	2,898,342	10.9%	9,625,000(2)(6)	12,523,342	34.5%
227 West Monroe Street, Suite 3900 Chicago, IL 60606						
Crestview Capital Master, LLC	None	2,569,500	9.6%	4,861,112(3)(6)	7,430,612	23.5%
95 Revere Drive, Suite A Northbrook, IL, 60062						

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		Amount and Nature of Beneficial Ownership(1)				
Name and Address	Position With Company	Shares of Common Stock	Percent of Common Stock Out-Standing	Shares Underlying Derivative Securities	Combined Shares of Common Stock and Shares Underlying Derivative Securities	Combined Percent of Common Stock
Shepherd Investments International, Ltd. 3600 South Lake Drive, St. Francis, WI 53235	None	1,524,000	5.7%	4,958,333(4)(6)	6,482,333	20.5%
Fusion Capital Fund II, LLC 222 Merchandise Mart Plaza Suite 9-112 Chicago, IL 60654-0000	None	1,446,915	5.4%	598,958(8)	2,045,873	7.5%
Futuristic Image Builder Ltd. 34 Woodlands Industrial Park E-1 Singapore 757747	None	2,775,481	10.4%	1,000,000(5)	3,775,981	13.6%
Totals		12,150,386	45.5%	26,379,839	38,530,225	72.6%

(1) Applicable percentage of ownership is based on 26,692,091 shares of common stock outstanding as of February 15, 2008, together with securities exercisable or convertible into shares of common stock within 60 days of February 15, 2008, for each stockholder.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Shares of common stock subject to securities exercisable or convertible into shares of common stock that are currently exercisable or exercisable within 60 days of February 15, 2008 are deemed to be beneficially owned by the person holding such securities for the purpose of computing the percentage of ownership of such person, but are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Note that affiliates are subject to Rule 144 and Insider trading regulations percentage computation for form purposes only.

(2) Includes (i) 4,125,000 shares of common stock underlying warrants and 5,500,000 shares of common stock underlying 3,960 shares of Series A preferred stock.

(3) Includes (i) 2,833,334 shares of common stock underlying warrants and 2,027,778 shares of common stock underlying 1,460 shares of Series A preferred stock.

(4) Includes (i) 2,125,000 shares of common stock underlying warrants and 2,833,333 shares of common stock underlying 2,040 shares of Series A preferred stock.

(5) Includes 1,000,000 shares underlying warrants.

(6) In accordance with the terms of the Company s underlying agreements with this investor, Victory Park Capital Advisors, LLC., Crestview Capital Master LLC, and Shepherd Investments International, Ltd. have instructed the corporation not to convert Series A preferred stock

or warrants if such conversion results in the investor owning more than 4.99% of the Company s common stock immediately after such conversion. Therefore, the beneficial ownership of these investors may significantly overstate these investors ability to convert their Series A preferred stock or exercise their warrants.

(7) Does not include 315,000 options that are exercisable more than 60 days after February 8, 2008.

(8) Includes 598,958 shares underlying warrant.

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ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The Board of Directors of the Company has adopted resolutions that no business transaction, loan or advance will be made by the Company to any officer, director or holder of more than 5% of the Company s common stock, or any affiliate thereof, unless it has been established that a bona fide business purpose exists, that all future transactions between the Company and its officers, directors, or principal shareholders, or any affiliate of any of such person, must be approved or ratified by a majority of the disinterested directors of the Company, and the terms of such transaction must be no less favorable to the Company than could have been realized by the Company in an arms-length transaction with an unaffiliated person. The Company believes that all ongoing transactions with the Company s affiliates are on terms no less favorable than could be obtained from unaffiliated third parties.

The Board of Directors of the Company adopted a resolution in July 1996 that provides that the areas of business in which the Company shall be interested for the purpose of the doctrine of corporate opportunities shall be the business of information management software products and services. Any business opportunity which falls within such areas of interest must be brought to the attention of the Company for acceptance or rejection prior to any officer or director of the Company taking advantage of such opportunity. Any business opportunity outside such areas of interest may be entered into by any officer or director of the Company without the officer or director first offering the business opportunity to the Company.

The following Directors: T. Kendall Hunt, Sarah L. Eames, and Robert R. Gilmore, are all considered Independent Directors. Michael I. Ruxin and Thomas R. Marcinek, both of which are employees of the Company, are not independent.

ITEM 13. EXHIBITS

(a) See Index to Exhibits.

(b) Current Reports on Form 8-K:
A Current Report on Form 8-K was filed November 1, 2007 announcing the Company s financial statement results for the period ended September 30, 2007.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The following table presents fees for professional services rendered by Ehrhardt Keefe Steiner & Hottman P.C. for the audit of the Company s consolidated financial statements as of and for the years ended December 31, 2007 and 2006 and fees billed for other services rendered by Ehrhardt Keefe Steiner & Hottman PC during those periods.

	Years Ended	
	2007	**2006**
Audit Fees	$ 111,088	$ 42,500
Audit related fees	$ 34,892	$ 125,845
Tax Fees	$ 29,150	$ 19,900
Other	$ ---	$ 26,650

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GLOBAL MED TECHNOLOGIES, INC.
A Colorado Corporation

Date: March 7, 2008

By: /s/ Michael I. Ruxin

Michael I. Ruxin, M.D., Chairman of the Board
and Chief Executive Officer and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, the following persons on behalf of the Registrant and in the capacities and on the dates indicated have signed this report below.

Date: March 7, 2008

By: /s/ Thomas F. Marcinek

Thomas F. Marcinek, Director and President
and Chief Operating Officer

Date: March 7, 2008

By: /s/ Darren P. Craig

Darren P. Craig, Vice President of Finance

Date: March 7, 2008

By: /s/ T. Kendall Hunt

T. Kendall Hunt, Director

Date: March 7, 2008

By: /s/ Sarah L. Eames

Sarah L. Eames, Director

Date: March 7, 2008

By: /s/ Robert R. Gilmore

Robert R. Gilmore, Director

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549 EXHIBITS

TO

FORM 10-KSB

GLOBAL MED TECHNOLOGIES, INC.

and SUBSIDIARY

EXHIBIT INDEX

Exhibit Number	DESCRIPTION
3.1	Amended and Restated Articles of Incorporation, filed June 2, 1995 (1)
3.2	Articles of Amendment to the Articles of Incorporation, filed March 5, 1996 (1)
3.3	Articles of Amendment to the Articles of Incorporation, filed May 30, 1996 (1)
3.4	Bylaws, as amended (1)
3.5	Amended and Restated Articles of Incorporation, dated April 16, 2001 (10)
4.1	Form of Representative s Warrants to Purchase Units (1)
4.2	Form of Class A common stock Purchase Warrant Certificate (1)
4.3	Specimen copy of stock certificate for common stock, $.01 par value (1)
10.1	Lease Agreement, dated April 15, 1992, and Lease Addendums, dated April 8, 1992 and October 21, 1994 (1)
10.2	Lease Agreement, dated July 19, 1995, and Lease Addendum (1)
10.3	Employment Agreement, dated May 24, 1995, between the Company and Michael I. Ruxin, as amended July 8, 1995, August 1, 1995, September 21, 1995 and July 15, 1996 (1)
10.4	Employment Agreement, dated May 24, 1995, between the Company and William J. Collard, as amended July 22, 1996 (1)
10.5	Employment Agreement, dated June 28, 1995, between the Company and Joseph F. Dudziak (1)
10.6	Employment Agreement, dated February 8, 1996, between the Company and L.E. Gene Mundt (1)
10.7	Amended and Restated Stock Option Plan, as amended on May 5, 1995, May 29, 1996 and December 11, 1996 (1)
10.7(A)	Amendment dated March 31, 1997, to the Amended and Restated Stock Option Plan. (2)
10.8	Voting Agreement, dated May 23, 1995 (1)

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10.9 Shareholders Agreement dated August 16, 1991, as amended on May 5, 1995 September 1996, June 24, 1996, July 25, 1996, Consent and Waiver, dated July 12, 1996, and Rescission of Shareholder s Agreement, dated June 22, 1996 (1)

10.10 Agreement dated April 8, 1996, between the Company and LMU & Company, and Stock Purchase Option, dated April 8, 1996 (1)

10.11 Form of Drug Testing Service Contract (1)

10.12 Form of License Agreements (1)

10.13 Warrant Agreement, dated February 11, 1997, between Global Med and American Securities Transfer & Trust, Inc. (1)

10.14 Exclusivity and Software Development Agreement, dated November 14, 1996, between and among Global Med and Ortho Diagnostic Systems Inc. (1)

10.15 Amendment, dated November 14, 1996, to Agreement dated April 8, 1996, between the Company and LMU & Company, and Stock Purchase Option, dated April 8, 1996 (1)

10.16 Amendment, dated January 14, 1997, to Agreement dated April 8, 1996, between the Company and LMU & Company, and Stock Purchase Option, dated April 8, 1996 (1)

10.17 Interim Management Agreement, dated July 7, 1997, between the Company and National Medical Review Offices, Inc. (1)

10.18 Asset Purchase Agreement, dated August 18, 1997, between the Company and National Medical Review Offices, Inc. (1)

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10.19	Third Amendment to Exclusivity and Software Development Agreement, dated September 17, 1997 between Global Med and Ortho Diagnostic Systems, Inc. (1)
10.20	Second Amended and Restated Stock Option Plan, as amended October 3, 1997 and December 2, 1997 (3)
10.21	Fourth Amendment to Exclusivity and Software Development Agreement, dated December 22, 1997 between Global Med and Ortho Diagnostic Systems, Inc. (4)
10.22	Development Agreement, dated July 12, 1996 between Global Med and The Institute for Transfusion Medicine, dated July 12, 1996, as amended January 12, 1998 (4)
10.23	Loan Commitment, dated April 14, 1998, between Heng Fung Finance Company Limited and the Company, as amended on April 16, 1998 (4)
10.24	Loan Commitment, dated April 14, 1998, between Fronteer Capital, Inc. and the Company, as amended on April 16, 1998 (4)
10.25	Amendment to Loan Commitment, dated April 16, 1998, between Heng Fung Finance Company Limited and the Company (4)
10.26	Amendment to Loan Commitment, dated April 16, 1998, between Fronteer Capital, Inc. and the Company (4)
10.27	Second Amendment to Loan Commitments, dated April 20, 1998 between the Company, Heng Fung Finance Company Limited and Fronteer Capital, Inc. (4)
10.28	Employment Agreement, dated August 1, 1998, between the Company and Michael I. Ruxin (5)
10.29	Employment Agreement, dated August 1, 1998, between the Company and Alan K. Geddes (5)
10.31	Consultancy Agreement, dated August 1, 1998, between the Company and Jeffrey M. Busch, Esq. (5)
10.32	Warrant to Purchase Common Shares dated April 20, 1998, issued by the Company to Heng Fung Finance Company Limited (5)
10.33	Warrant to Purchase Common Shares dated April 20, 1998, issued by the Company to Fronteer Capital, Inc.(5)
10.34	Loan Agreement, dated August 12, 1998, between the Company and Heng Fung Finance Company Limited (5)
10.35	Loan Agreement, dated August 12, 1998, between the Company and Fronteer Capital, Inc. (5)
10.36	Personal Guaranty, dated August 12, 1998, by Michael I. Ruxin, M.D. as Guarantor, the Company as Debtor and Fronteer Capital, Inc. as Beneficiary (5)
10.37	Assignment , Assumption and Consent Agreement, dated September 28, 1998, by the Company, Michael I. Ruxin, M.D., Fronteer Capital Inc. and Fronteer Development Finance, Inc. (5)
10.38	Loan and Warrant Purchase and Sale Agreement, dated October 7, 1998, between the Company, Heng Fung Finance Company Limited and Fronteer Development Finance (5)
10.3	Promissory Note, dated October 30, 1998, by the Company as Maker and Fronteer Development Finance as the Holder (5)

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10.40 Warrant to Purchase Common Shares, dated October 30, 1998, issued by the Company to Fronteer Development Finance Inc. (5)

10.41 Promissory Note, dated October 26, 1998, by the Company as Maker and Fronteer Development Finance, Inc. as the Holder (5)

10.42 Promissory Note, dated October 26, 1998, by the Company as the Maker and Heng Fung Finance Company Limited as the Holder (5)

10.43 Warrant to Purchase Common Shares, dated October 26, 1998, issued by the Company to Fronteer Development Finance, Inc. (5)

10.44 Warrant to Purchase Common Shares, dated October 26, 1998, issued by the Company to Heng Fung Finance Company Limited (5)

10.45 Employment Agreement, dated February 1, 1999, between the Company and James Flynt (6)