Trakm8 Holdings PLC

REPORT AND FINANCIAL STATEMENTS

for the year ended **31 March 2012**

Contents

OFFICERS AND ADVISERS

DIRECTORS

C D Buck
M Cowley
T Cowley
J Hedges
J Watkins
P Wilson

SECRETARY

J Hedges

REGISTERED OFFICE

Lydden House
Wincombe Business Park
Shaftesbury
Dorset
SP7 9QJ

BANKERS

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SO18 2XU

AUDITOR

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NOMAD and BROKER

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60 New Broad Street
London
EC2M 1JJ

FINANCIAL PUBLIC RELATIONS

MHP Communications
60 Great Portland Street
London
W1W 7RT

HIGHLIGHTS

	Year ended 31 March 2012	Year ended 31 March 2011
	£000's	£000's
Revenue	5,215	4,186
Gross profit	3,326	2,787
Gross profit margin %	63.7%	66.6%
Other income	5	362
Operating profit	88	329
EBITDA (Earnings before interest, tax, depreciation & amortisation)	359	593
Adjusted EBITDA (excluding Government grants)	354	234
Profit before taxation	84	323
Cash and cash equivalents	1,087	1,119
Net assets	2,380	2,236

- Revenues up 25%
- Adjusted EBITDA (excluding Government grants) up £120K
- Growth in annualised recurring revenues to £1,956K (2011: £1,500K)
- Robust financial position with good cash balances
- T8 Mini and Driver feedback devices launched
- Contract win since year end with Motorola Solutions

CHAIRMAN'S STATEMENT

I am pleased to report that the results for the Group have continued to progress well and in line with market expectations. Revenues have increased by 25% to £5,215,565 (2011: £4,186,264) and we have realised a profit before tax of £83,884 (2011: £323,133). Excluding the Government funding of R&D our operating profits have improved by £114,355 over the previous year. Our adjusted EBITDA (excluding government grants) was £354,297 and this is a better guide to Trakm8's underlying performance.

Trakm8 has successfully introduced a number of new products and software solutions that have been well received by the market. Our recurring revenues continue to grow, which provides good visibility of our earnings.

Despite the working capital requirement of the considerable growth and the pre-product launch build of inventory, the cash balances remain strong at £1,087,474. This robust financial position means that we can continue to invest to keep our products at the forefront of their markets and it gives our customers confidence that we are a well established business.

The prospects for the Group continue to be positive. Trakm8 has achieved progressive gross profit expansion over the period, supported by the increased value-added nature of the Group's activities. The Group has also seen a positive impact on revenue streams from the service offering, which now accounts for a significant proportion of Group revenues.

The market is growing and the Trakm8 solutions are increasingly capable. The Board is therefore confident that the Group will continue to grow revenues and the Trakm8 Swift installed base. I am pleased to report that the new financial year has started ahead of the same period last year and we have a good pipeline of sales prospects.

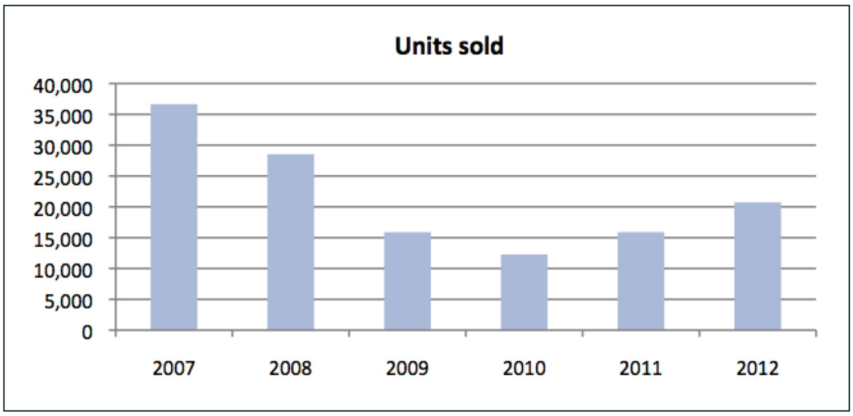
Dawson Buck
Chairman

CEO'S STATEMENT

I am pleased with the progress outlined in the Chairman's statement. Trakm8 has enjoyed a significant improvement in sales of units and complete solutions, which has resulted in strong growth in revenues.

Telematics revenues £2,226,230 (2011: £1,394,998)

Trakm8 supplies other Telematics Service Providers with hardware solutions. In most cases this also includes our market leading configuration firmware for the hardware unit. These sales have been the core of Trakm8 revenue over the past 10 years and in excess of 150,000 have been supplied. During the year unit sales increased by 30% following contract wins in the UK and the Middle East.

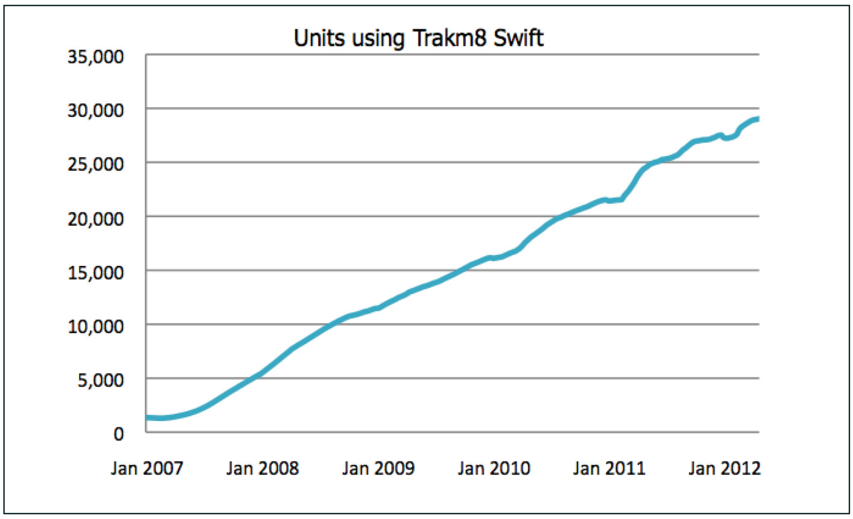


In the UK we have launched two in vehicle display devices that feed back to the driver vehicle performance and driver behaviour data. Over 6,000 of these devices were supplied during the year. Trakm8 has also launched a derivative of the A1091 telematics unit that was acquired from Vincotech in 2010. The new T8 Mini device combines a compact, waterproof design with exceptionally low power consumption. The T8, which is fitted onboard vehicles, can access a vast amount of data through the CANbus (Controller Area Network bus). This has recently been put into production and almost 2,000 units have already been supplied of the two variants. In addition, a range of tags for driver ID and temperature measurement have also been introduced.

Since the year end we announced in June 2012 a major contract win with Motorola Solutions for 2,300 T8 telematics units to be used in South America. New firmware has been developed to allow data to be transmitted over private mobile radio networks providing a telematics solution in areas of poor or no GSM coverage.

Trakm8 swift revenues £2,776,872 (2011: £2,553,876)

Trakm8 supplies customers with a fully integrated telematics service provision via Trakm8 Swift, an internet based service which is flexible, low cost and easy to use. Customers include the Automobile Association ("AA"), EO.N and Jewsons. This solution is also provided through a partner in South Africa. In total nearly 30,000 units are now using Swift, a net increase of 20% in the past twelve months. We now have five customers with over 1,000 vehicles operating Trakm8 Swift solutions.



This has increased our base of recurring monthly revenues, which provides the improved security and predictability to future income. By the end of the financial year under review, the monthly recurring revenue had increased by 30% on the previous year. This also amounted to 70% of our operational costs up from 62% at the end of the previous year.

During the past 12 months we have developed a number of variants of Swift. These include EcoN, which combines the Driver feedback device with server side analysis to improve the fuel economy of the vehicle. A security product, primarily for asset management, has also been launched with positive feedback.

The server side solutions have had extensive development so that management reports are easier to use and can provide the higher levels of data now available from the driver feedback devices, the telematics unit and the CANbus connectivity. It is this provision and management use of the data available that enables vehicle operators to achieve significant reductions in fuel use. Trakm8's knowledge of the vehicle electronic systems continues to be market leading following continuous development. Trakm8 has notified in previous statements that it is committed to owning the Intellectual Property throughout the value chain and the extensions of the server side applications continues this trend. The Trakm8 Swift product range is the core value enhancing segment of the Group. Hosting multiple applications on a single unit broadens its potential addressable markets including insurance, environmental services, Government and general consultancy.

CEO'S STATEMENT *(continued)*

Professional services revenues £212,463 (2011: £237,390)

Trakm8 undertakes bespoke software development for customers. The customer specific application engineering has been a major feature of the product development team as larger customers have demanded their particular requirements. This has also helped improve the core products.

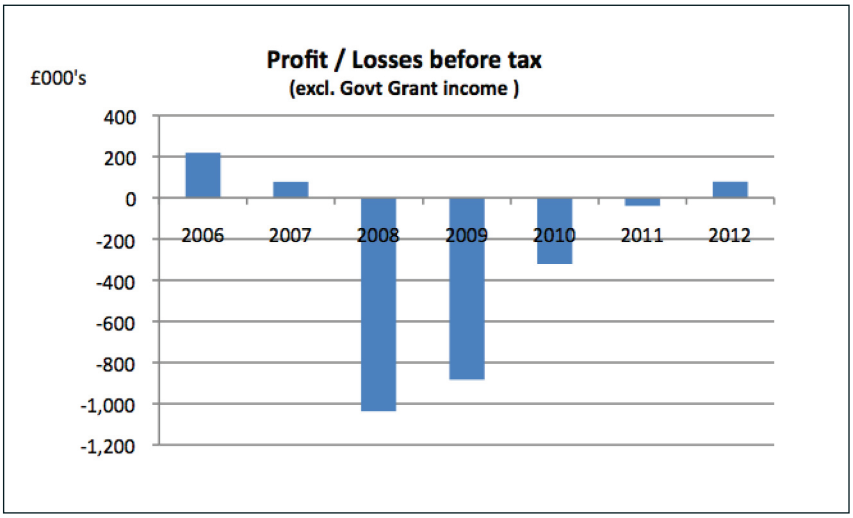
These engineering projects provide profitable consultancy activities in themselves, helping to integrate the customer with Trakm8 solutions, and provide on-going support and maintenance revenues. Whilst this activity remains a small percentage of the Group revenues it is considered a key skill and value added capability.

We have recently renamed our subsidiary PJSoft to Trakm8 sro and this year they moved into new offices in Prague. This development team is an important element of the enhancement of our systems and the Professional Services revenues.

Government grants £5,039 (2011: £361,542)

The two Government funded projects, the Trusted Road Usage & Emissions Profiling Project and the Future Intelligent Transport Systems - Project Freeflow Initiative, were successfully completed early last year. We have been very pleased with the outcomes and much of the development work has been incorporated into our core products. Trakm8's leading roles in government-sponsored projects ensures the Group is well positioned to capitalise on the regulatory and legislative drivers impacting the field of telematics.

It is pleasing to see that we have realised a profit before tax excluding any Government Grant income and the table below demonstrates how important these projects have been to the continued development of our products.



CEO'S STATEMENT *(continued)*

Outlook

The Group is confident that revenues will continue to improve over the next twelve months with results in line with market expectations. Trakm8 solutions are expected to increase market penetration both in the large fleet market and the SME space. The installed base for Trakm8 Swift and its' consequent recurring revenues are expected to continue to increase.

Hardware only solutions are expected to grow on the back of new customers and new products. To protect the technical superiority of the products and services and to ensure the lowest possible cost base, Trakm8 will continue to expand the engineering and professional services teams.

The cost of fuel continues to rise and the capability of Trakm8 telematics based fleet management solutions to reduce fuel usage continues to become more sophisticated and beneficial to customers. We expect to benefit from these trends.

Cost reduction initiatives and innovative product launches undertaken during the downturn, have left us well positioned for future growth. We have a strong balance sheet with substantial cash reserves and minimal debt. The market for vehicle telematics in the UK is still very fragmented and should opportunities emerge for us to grow by making acquisitions then we will seriously consider them.

Finally, I would like to thank all the Trakm8 staff for their tremendous hard work over the past twelve months.

John Watkins
CEO

DIRECTORS' REPORT

The Directors submit their report and financial statements of Trakm8 Holdings PLC for the year ended 31 March 2012.

Trakm8 Holdings PLC is a public listed company incorporated and domiciled in England (Company Number 05452547) whose shares are quoted on AIM, a market operated by the London Stock Exchange plc.

PRINCIPAL ACTIVITIES

The principal activities of the Trakm8 Group are the manufacture, marketing and distribution of vehicle telematics equipment and services. Trakm8 Holdings PLC is the holding company for the Trakm8 Group.

REVIEW OF THE BUSINESS

The review of the business is contained in the Chairman's and CEO's Statement on pages 4 to 8.

RESULTS AND DIVIDENDS

The Group results for the year ended 31 March 2012 are shown in the Consolidated Statement of Comprehensive Income on page 17. The Directors do not recommend the payment of a dividend.

FUTURE DEVELOPMENTS

Future developments of the business is contained in the Chairman's and CEO's Statement on pages 4 to 8.

RESEARCH AND DEVELOPMENT

The Board considers that the Group's research and development activity plays an important role in the operational and financial success of the business.

The Group continues to develop new products and during the year launched the T8 Mini and a T8 RFID solution. In addition further enhancements were rolled out for Trakm8 Swift. The Group believes this product strategy will enable the continued delivery of new and enhanced products and services during the coming year.

DIRECTORS' REPORT *(continued)*

KEY PERFORMANCE INDICATORS

The key performance indicators used to assess the performance and position of the Group are as follows:-

1. Operating profit. The Group produced an operating profit of £88,345 compared to last year's operating profit of £328,711.
2. Borrowings. The Group monitors its cash and borrowings position and updates cash flow forecasts for the following twelve months on a daily basis. During the year total borrowings increased from £186,491 to £219,191 at the year end.
3. Customer services. A weekly analysis is undertaken of outstanding customer service cases to ensure compliance with our service level agreements.
4. Credit control. All overdue accounts are reviewed and where necessary contacted on a weekly basis.

GOING CONCERN

The Directors confirm that they are satisfied that the Group has adequate resources and facilities to continue in business for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The following Directors have held office during the year:

C D Buck
M Cowley
T Cowley
J Hedges
J Watkins
P Wilson

DIRECTORS AND THEIR INTERESTS

The present members of the Board are as listed on page 2. The Directors' interests in the shares of the Company are detailed below:-

	1p ordinary shares At 31 March 2012	% of issued ordinary share capital (18,864,731 ordinary shares)	1p ordinary shares At 1 Apr 2011 or on subsequent date of appointment	% of issued ordinary share capital (18,764,731 ordinary shares)
C D Buck	541,994	2.87%	511,994	2.73%
M Cowley	1,194,203	6.33%	1,164,203	6.20%
T Cowley	1,459,002	7.73%	1,429,002	7.62%
J Hedges	1,171,025	6.21%	891,025	4.75%
J Watkins	3,852,738	20.42%	3,822,738	20.37%
P Wilson	420,512	2.23%	320,512	1.71%

The Directors had no interest in the share capital of the Company's subsidiary undertakings at 31 March 2012 or on the date on which these financial statements were approved.

DIRECTORS’ REPORT *(continued)*

DIRECTORS’ REMUNERATION

The Directors’ remuneration for the year ended 31 March 2012 was:

AUDITED

	Salaries & Fees £	Bonuses £	Benefits £	**Total 31 March 2012 £**	**Total 31 March 2011 £**
D Buck	35,000	-	-	35,000	35,000
M Cowley	77,000	957	3,755	81,712	76,861
T Cowley	80,104	995	3,699	84,798	79,920
J Hedges	80,104	995	3,624	84,723	79,920
J Watkins	75,000	9,769	-	84,769	81,789
P Wilson	73,500	913	8,681	83,094	57,589
Total	420,708	13,629	19,759	454,096	411,079

DIRECTORS’ SHARE OPTIONS

At 31 March 2012 the following options had been granted to the Company’s Directors and remain current and unexercised:

	Option exercise price	Balance as at 31 March 2011	Granted during year	Exercised during year	Expired/ forfeited during year	Balance as at 31 March 2012	Expiry date
D Buck	£0.06	100,000	-	-	-	100,000	30/07/12
M Cowley	£0.06	75,000	-	-	-	75,000	30/07/12
T Cowley	£0.06	75,000	-	-	-	75,000	30/07/12
J Hedges	£0.05	100,000	-	(100,000)	-	-	-
J Watkins	£0.06	200,000	-	-	-	200,000	30/07/12
P Wilson	£0.06	100,000	-	-	-	100,000	30/07/12

The Group provides indemnity cover for the Directors.

DIRECTORS’ REPORT *(continued)*

SUPPLIERS PAYMENT POLICY

It is the Group’s policy to establish payment terms with suppliers and to adhere to those terms, provided that the goods and services are in accordance with the agreed terms and conditions. Trade payables for the parent company at the year end represented 45 days of purchases (2011: 49 days).

EMPLOYMENT POLICY

During the year, the Group has consulted with employees in matters likely to affect their interests and is committed to involving them in the performance and development of the Group.

DISABLED EMPLOYEES

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person.

Should existing employees become disabled, it is the Group’s policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to such employees as appropriate.

PRINCIPAL RISKS AND UNCERTAINTIES

The following are identified as the principle risks and uncertainties facing the Group:-

Technology risk - The Group invests in research and development to enable the delivery of new and enhanced products and services.

Liquidity risk - The Group operates a long-term business, and its policy is to finance it primarily with equity and short to medium-term borrowings. Short-term flexibility is achieved by cash balances and overdraft facilities.

Credit risk - The Group aims to minimise its exposure to credit risk through a mixture of credit insurance, credit limits and credit checks on new customers.

Foreign currency risk - Historically the Group has not used hedging instruments to minimise currency risk as the exposure is limited. If foreign currency exposure increases, the use of foreign currency hedging instruments will be reviewed as necessary.

EVENTS SINCE THE REPORTING DATE

On 30 April 2012 five of the Directors exercised options totalling 550,000 ordinary shares of 1p each at a price of 6 pence per share under the Company’s Executive Management Incentive Scheme. The new shares were admitted to trading on AIM on 4 May 2012.

DIRECTORS’ REPORT *(continued)*

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

A resolution to appoint Milsted Langdon LLP, Chartered Accountants, as auditor, will be put to the members at the annual general meeting.

By approval of the Board on 27 June 2012.

J Hedges
Secretary

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have elected under company law to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The Group financial statements are required by law and IFRS adopted by the EU to present fairly the financial position and performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and accounting estimates that are reasonable and prudent;

c. for the Group financial statements, state whether they have been prepared in accordance with IFRS adopted by the EU and for the Company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Group and Company financial statements; and

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Trakm8 Holdings PLC website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAKM8 HOLDINGS PLC

We have audited the financial statements of Trakm8 Holdings PLC which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement, the Parent Company Balance Sheet and the related Notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As more fully explained in the Directors' Responsibilities Statement set out on page 14, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2012 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRAKM8 HOLDINGS PLC *(continued)*

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Nigel Fry (Senior Statutory Auditor)
For and behalf of Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Winchester House
Deane Gate Avenue
Taunton
TA1 2UH

27 June 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2012

	Notes	2012 £	2011 £
REVENUE	6	5,215,565	4,186,264
Cost of sales		(1,889,499)	(1,399,046)
Gross profit		3,326,06	2,787,218
Other income	7	5,039	361,542
		3,331,105	3,148,760
Administrative expenses		(3,242,760)	(2,820,049)
OPERATING PROFIT	7	88,345	328,711
Finance income		788	979
		89,133	329,690
Finance costs	8	(5,249)	(6,557)
PROFIT BEFORE TAXATION		83,884	323,133
Income tax credit / (charge)	9	50,666	(117,094)
PROFIT FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE PARENT		134,550	206,039
OTHER COMPREHENSIVE INCOME			
Currency translation differences		1,493	1,008
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		136,043	207,047
EARNINGS PER ORDINARY SHARE (PENCE) ATTRIBUTABLE TO OWNERS OF THE PARENT			
Basic	11	0.71p	1.10p
Diluted	11	0.70p	1.07p

There were no discontinued operations in 2012 or 2011. Accordingly the results relate to continuing operations.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2012

	Share Capital £	Share premium £	Merger Reserve £	Share based payment reserve £	Translation reserve £	Retained Earnings £	Total equity attributable to owners of the parent £
Balance as at 1 April 2010	187,647	1,719,402	509,837	63,152	205,313	(666,330)	2,019,021
Comprehensive income							
Profit for the year	-	-	-	-	-	206,039	206,039
Other comprehensive income							
Exchange differences on translation of overseas operations	-	-	-	-	1,008	-	1,008
Total comprehensive income	-	-	-	-	1,008	206,039	207,047
Transactions with owners							
Transfer share based payment reserve to Retained earnings	-	-	-	(63,152)	-	63,152	-
IFRS2 Share based payments	-	-	-	-	-	9,921	9,921
Transactions with owners	-	-	-	(63,152)	-	73,073	9,921
Balance as at 1 April 2011	187,647	1,719,402	509,837	-	206,321	(387,218)	2,235,989
Comprehensive income							
Profit for the year	-	-	-	-	-	134,550	134,550
Other comprehensive income							
Exchange differences on translation of overseas operations	-	-	-	-	(1,493)	-	(1,493)
Total comprehensive income	-	-	-	-	(1,493)	134,550	133,057
Transactions with owners							
Shares issued	1,000	4,250	-	-	-	-	5,250
IFRS2 Share based payments	-	-	-	-	-	5,537	5,537
Transactions with owners	1,000	4,250	-	-	-	5,537	10,787
Balance as at 31 March 2012	188,647	1,723,652	509,837	-	204,828	(247,131)	2,379,833

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2012

	Notes	2012 £	2011 £
NON CURRENT ASSETS			
Intangible assets	12	1,005,107	1,150,235
Property and equipment	13	517,118	463,007
Deferred income tax asset	16	98,421	63,243
		1,620,646	1,676,485
CURRENT ASSETS			
Inventories	14	410,016	259,042
Trade and other receivables	15	782,375	893,172
Current tax assets	9	15,488	17,828
Cash and cash equivalents		1,087,474	1,119,027
		2,295,353	2,289,069
CURRENT LIABILITIES			
Trade and other payables	17	(1,250,672)	(1,473,074)
Borrowings	18	(56,223)	(27,305)
		(1,306,895)	(1,500,379)
CURRENT ASSETS LESS CURRENT LIABILITIES		988,458	788,690
TOTAL ASSETS LESS CURRENT LIABILITIES		2,609,104	2,465,175
NON CURRENT LIABILITIES			
Borrowings	18	(163,093)	(159,186)
Provisions	19	(66,178)	(70,000)
NET ASSETS		2,379,833	2,235,989
EQUITY			
Share capital	21	188,647	187,647
Share premium account		1,723,652	1,719,402
Merger reserve account		509,837	509,837
Translation reserve		204,828	206,321
Retained earnings		(247,131)	(387,218)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		2,379,833	2,235,989

These financial statements were approved by the Directors and authorised for issue on 27 June 2012 and are signed on their behalf by:

D Buck
Director

J Hedges
Director

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2012

	Notes	2012 £	2011 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	23	110,845	609,832
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(91,232)	(49,758)
Purchases of intangible assets		(89,241)	(96,411)
NET CASH USED IN INVESTING ACTIVITIES		(180,473)	(146,169)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of new shares		5,250	-
New / (repayment of) obligations under hire purchase agreements		53,296	(16,894)
Repayment of loans		(20,471)	(19,880)
NET CASH (USED IN) /FROM FINANCING ACTIVITIES		38,075	(36,774)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(31,553)	426,889
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,119,027	692,138
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,087,474	1,119,027

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

1. GENERAL INFORMATION

Trakm8 Holdings PLC ("Company") is a public limited company incorporated in the United Kingdom (registration number 05452547). The Company is domiciled in the United Kingdom and its registered address is Lydden House, Wincombe Business Park, Shaftesbury, Dorset, SP7 9QJ. The Company's Ordinary Shares are traded on the AIM market of the London Stock Exchange.

The Group's principal activity is the manufacture, marketing and distribution of vehicle telematics equipment and services. The Company's principal activity is to act as a holding company for its subsidiaries.

2. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH IFRS

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as endorsed by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

3. BASIS OF PREPARATION

The accounting policies set out in note 4 have been applied consistently to all periods presented in these consolidated financial statements.

These financial statements are presented in sterling as that is considered to be the currency of the primary economic environment in which the Group operates. This decision was based on the Group's workforce being based in the UK and that sterling is the currency in which management reporting and decision making is based.

4. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Where necessary, the comparatives have been reclassified or extended from the previously reported results to take into account presentational changes.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

4. ACCOUNTING POLICIES *(continued)*

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The trading results of subsidiaries acquired or disposed of during the year are included in the consolidated Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All intra-group transactions, balances, income and expenditure are eliminated on consolidation.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date irrespective of the extent of any minority interest. The excess of cost of acquisition over the fair values of the Group's share of identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair value of identifiable net assets acquired (i.e. discount on acquisition) is recognised directly in the Statement of Comprehensive Income.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

SHARE-BASED PAYMENTS

The Group has applied the requirements of IFRS 2 Share-based Payment. In accordance with the transitional provisions, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 April 2006.

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

The fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations. No expense is recognised for awards that do not ultimately vest.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

4. ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at their amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made where there is objective evidence, (including customers with financial difficulties or in default on payments), that amounts will not be recovered in accordance with original terms of the agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flow discounted using the original effective interest rate. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in the Statement of Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. For the purposes of the Cash Flow Statement, cash and cash equivalents includes bank overdrafts.

Financial liabilities and equity

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

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption, are accounted for on an accruals basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

GOODWILL

Goodwill arising on consolidation is recorded as an intangible asset and is the surplus of the cost of acquisition over the Group's interest in the fair value of identifiable net assets acquired. Goodwill is reviewed annually for impairment. Any impairment identified as a result of the review is charged in the Statement of Comprehensive Income. Negative goodwill is written off in the year in which it arises.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

4. ACCOUNTING POLICIES *(continued)*

INTANGIBLE ASSETS OTHER THAN GOODWILL

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. Such intangible assets are carried at cost less amortisation. Amortisation is charged to 'Administrative expenses' in the Statement of Comprehensive Income on a straight line basis over the intangible assets' useful economic life (1-10 years).

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

Development expenditure is capitalised as an intangible asset only if the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefit;
- the development cost of the asset can be measured reliably;
- it meets the Group's criteria for technical and commercial feasibility; and
- sufficient resources are available to meet the development to either sell or use as an asset.

Development expenditure thus capitalised is amortised on a straight-line basis over its useful life. Where the criteria are not met, development expenditure is recognised as an expense in the 'Administrative expenses' line of the Statement of Comprehensive Income.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less any subsequent accumulated depreciation or impairment losses. With the exception of freehold buildings held at 31 March 2006 (the date of transition to IFRS), cost represents purchase price together with any incidental costs to acquisition. As permitted by IFRS 1, the cost of freehold buildings at 31 March 2006 represents deemed cost, being the market value of the property for existing use at that date.

Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Buildings	2%	straight line
Furniture, fixtures and equipment	25%	reducing balance
Computer equipment	33%	straight line

Assets held under finance leases or hire purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, over the term of the relevant agreement.

The assets' residual values and useful lives are reviewed at each balance sheet date and adjusted if appropriate. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

4. ACCOUNTING POLICIES *(continued)*

INVENTORIES

Inventories are valued at the lower of cost and net realisable value. In general cost is determined on a first in first out basis and includes all direct expenditure and production overheads based on a normal level of activity. Net realisable value is the price at which the stocks can be sold in the normal course of business after allowing for the costs of realisation and where appropriate for the costs of conversion from its existing state to a finished condition. Provision is made for obsolete, slow moving and defective stocks.

LEASES

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have been transferred to the Group, are capitalised in the balance sheet and depreciated over the shorter of the lease term or their useful lives. The asset is recorded at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease. The capital elements of future obligations under finance leases are included in liabilities in the balance sheet and analysed between current and non-current amounts. The interest elements of future obligations under finance leases are charged to the Statement of Comprehensive Income over the periods of the leases and represent a constant proportion of the balance of capital repayments outstanding in accordance with the effective interest rate method.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. The cost of operating leases (net of any incentives received from the lessor) is charged to the Statement of Comprehensive Income on a straight line basis over the periods of the leases.

FOREIGN CURRENCIES

Foreign currency assets and liabilities are converted to sterling at the rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are converted to sterling at the rates of exchange ruling at the transaction date. All of the resulting exchange differences are recognised in the Statement of Comprehensive Income as they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are classified as equity and transferred to the Group's reserves. Such translation differences are recognised as income or expense in the period in which the operation is disposed of.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2012

4. ACCOUNTING POLICIES *(continued)*

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted.

REVENUE RECOGNITION

Revenue represents the total of amounts receivable for goods and services provided excluding value added tax. Revenue is recognised on the delivery of the goods to the customer. Where a service is provided covering a future period the applicable revenue is shown as Deferred Income under Current Liabilities.

WARRANTY CLAIMS

Provision is made for liabilities arising in respect of expected warranty claims.

GOVERNMENT GRANTS

Government grants towards research and development projects are recognised as income over the periods necessary to match them with the related costs and are included within Other Income.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

4. ACCOUNTING POLICIES (continued)

SEGMENTAL REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

EQUITY

Equity comprises the following:

- *Share capital* represents the nominal value of equity shares.
- *Share premium* represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- *Merger reserve* represents the excess over nominal value of the fair value of consideration received for equity shares issued on reverse acquisition of subsidiaries, net of expenses of the share issue prior to the date of transition to IFRS.
- *Translation* reserve represents cumulative foreign exchange gains and losses on retranslation of overseas operations.
- *Retained earnings* represents retained losses.

CHANGES IN ACCOUNTING STANDARDS AND DISCLOSURES

a) The Group has adopted the following new interpretations and amendments to existing standards in the year ended 31 March 2012:-

- IAS 24 (Amendment) 'Related Party Disclosures' effective 1 January 2011

The adoption of this amendment to the existing standard has not led to any changes in the Group's accounting policies.

b) The following standards and interpretations have been issued by the IASB. They become effective after the current year and have not been early adopted by the Group:

- IFRS 9 'Financial Instruments' effective 1 January 2013
- IFRS 13 'Fair value measurement' effective 1 January 2013

The impact on the Group's financial statements is not expected to be material.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

CRITICAL JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

In the process of applying the Group's accounting policies, which are described in note 4, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Valuation of intellectual property

In assessing the fair value of the intellectual property, management have considered the underlying value of the income streams. Attention has been paid to the potential introduction of new products and services and the return anticipated from these and existing product sales. The Directors believe that the fair value of the intellectual property is both appropriate and a realistic assessment of its long term value to the Group.

KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of internally-generated intangible asset

During the year, management reconsidered the recoverability of its internally generated intangible asset which is included in the balance sheet at £177,885. The costs relate to the development of the Group's portfolio of hardware and software products and management continue to believe that the anticipated revenues will enable the carrying amount to be recovered in full. Assumptions have been made on the number of years over which the costs will be recovered based on management's best expectations and these could turn out to be longer or shorter although any subsequent adjustment is not expected to be material.

Recoverability of trade debtors

The withdrawal or reduction of credit facilities from Banks and leasing companies is affecting a wide range of businesses. Management are particularly conscious of the financial weakness of some companies and is closely monitoring its outstanding debtor book in order to minimise the risk associated with future bad debts. Weekly cash receipts are analysed and future supplies are stopped if accounts remain overdue. An increasing number of customers taking the Group's services pay by direct debit and this is reducing the Group's exposure to the non-recoverability of trade debtors in the future.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

6. SEGMENTAL ANALYSIS

The format of segmental reporting is based on the Group's management and internal reporting of the segments below which carry different risks and rewards and are used to make strategic decisions. Telematics is the sale of hardware through the Group's distributors. Trakm8 SWIFT represents the sale of the Group's full vehicle telematics service direct to customers. Development and other services comprises bespoke professional services and mapping solutions.

The Board review the revenue results by segment and the gross margin. Cost of sales comprise hardware costs and have been allocated to the segments based on the number of units sold. Administration costs and assets and liabilities are not separated out by segment.

Year ended 31 March 2012	Telematics	Trakm8 SWIFT	Development & other services	Unallocated	Total
	£	£	£	£	£
Segment revenue	2,226,230	2,776,872	212,463	-	5,215,565
Gross profit	789,858	2,323,746	212,462	-	3,326,066
Other income	-	-	5,039	-	5,039
Depreciation & amortisation	(124,058)	(53,703)	(93,230)	-	(270,991)
Finance income	-	-	-	788	788
Finance costs	-	-	-	(5,249)	(5,249)
Income tax	-	-	-	50,666	50,666

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

6. SEGMENTAL ANALYSIS *(continued)*

Year ended 31 March 2011	Telematics	Trakm8 SWIFT	Development & other services	Unallocated	Total
	£	£	£	£	£
Segment revenue	1,394,998	2,553,876	237,390	-	4,186,264
Gross profit	489,081	2,060,747	237,390	-	2,787,218
Other income	-	-	361,542	-	361,542
Depreciation & amortisation	(127,182)	(41,668)	(95,714)	-	(264,564)
Finance income	-	-	-	979	979
Finance costs	-	-	-	(6,557)	(6,557)
Income tax	-	-	-	(117,094)	(117,094)

The Group's operations are located in the UK and the Czech Republic. The following table provides an analysis of the Group's revenue by geography based upon location of the Group's customers.

Year ended 31 March 2012	Telematics	Trakm8 SWIFT	Development & other services	Total
	£	£	£	£
United Kingdom	1,291,621	2,767,583	98,205	4,157,409
Europe	171,772	9,289	24,258	205,319
Africa	214,928	-	90,000	304,928
Rest of the World	547,909	-	-	547,909
	2,226,230	2,866,872	122,463	5,215,565

The Group had one customer who accounted for more than 10% of the Group revenue (2011: two).

Year ended 31 March 2011	Telematics	Trakm8 SWIFT	Development & other services	Total
	£	£	£	£
United Kingdom	502,235	2,543,862	114,983	3,161,080
Europe	193,874	10,014	58,450	262,338
Africa	278,361	-	47,000	325,361
Rest of the World	420,528	-	16,957	437,485
	1,394,998	2,553,876	237,390	4,186,264

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2012

7. PROFIT FROM OPERATIONS

	2012 £	2011 £
Profit from operations is stated after (crediting)/charging:		
Other income - Government grant	(5,039)	(359,760)
Depreciation - owned fixed assets	30,205	18,955
- assets on hire purchase	6,417	11,684
Amortisation of intangible assets	234,369	233,925
Operating lease rentals		
Land and buildings	14,251	14,222
Other	31,123	11,587
Loss/(profit) on foreign exchange transactions	11,180	(3,987)
Staff costs (note 10)	1,714,323	1,517,374

	2012 £	2011 £
Auditor's remuneration		
- audit services		
Parent Company and consolidation	4,680	4,500
Subsidiary audits	10,920	10,500
- tax advisory services	2,285	2,200

8. FINANCE COSTS

	2012 £	2011 £
Bank interest payable	-	62
Interest on finance leases	54	790
Interest on other loans	5,195	5,705
	5,249	6,557

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

9. INCOME TAX

	2012	2011
	£	£
R&D tax credit	(15,488)	(17,828)
Recognition of deferred tax	(112,689)	-
Current year movement	77,511	134,922
Income tax (credit) / charge	(50,666)	117,094

Factors affecting the tax charge

The tax assessed for the year is lower (2011: higher) than the applicable rate of corporation tax in the UK. The difference is explained below:

	2012	2011
	£	£
Profit before tax	83,884	323,133

Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011: 28%)	21,810	90,477
Effects of:		
Expenses not deductible/income not taxable	23,167	61,593
Share option adjustment	(706)	2,778
Temporary differences	16,979	(2,988)
Change in deferred tax rates	16,261	3,015
Deferred tax brought forward recognised	(112,689)	(19,953)
R&D tax credit	(15,488)	(17,828)
Total tax	(50,666)	117,094

10. EMPLOYEES

	2012	2011
	No.	No.
The average monthly number of persons (including Directors) employed by the Group was:		
Research and development	15	13
Selling and distribution	19	14
Production	1	3
Administration	10	11
	45	41

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

10. EMPLOYEES *(continued)*

Staff costs for the employees and Directors (included under Administrative expenses):

	2012	2011
	£	£
Wages and salaries	1,509,854	1,336,898
Social Security costs	198,931	170,555
Share Based Payments	5,537	9,921
	1,714,322	1,517,374

Costs relating to the Directors who are the key management of the Group:

	2012	2011
	£	£
Wages and salaries	434,337	404,594
Benefits	19,759	6,485
Social Security costs	49,659	41,840
Share Based Payments	1,103	3,236
	504,858	456,155

Further details of Directors' fees and salaries, bonuses and pensions are given in the Directors' Report on page 11.

11. EARNINGS PER ORDINARY SHARE

Staff costs for the employees and Directors (included under Administrative expenses):

The earnings per ordinary share has been calculated using the profit for the year and the weighted average number of ordinary shares in issue during the year as follows:

	2012	2011
	£	£
Earnings for the year after taxation	134,550	206,039
Number of ordinary shares of 1p each	18,864,731	18,764,731
Basic weighted average number of ordinary shares of 1p each	18,820,621	18,764,731
Basic weighted average number of ordinary shares of 1p each (diluted)	19,159,446	19,180,873
Basic profit pence per share	0.71p	1.10p
Diluted profit pence per share	0.70p	1.07p

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

12. INTANGIBLE ASSETS

	Intellectual property £	Development costs £	Total £
COST			
As at 1 April 2010	1,546,007	344,514	1,890,521
Additions	127,856	141,996	269,852
As at 31 March 2011	1,673,863	486,510	2,160,373
Additions	-	89,241	89,241
As at 31 March 2012	1,673,863	575,751	2,249,614

	Intellectual property £	Development costs £	Total £
AMORTISATION			
As at 1 April 2010	501,594	274,619	776,213
Charge for year	165,787	68,138	233,925
As at 31 March 2011	667,381	342,757	1,010,138
Charge for year	179,260	55,109	234,369
As at 31 March 2012	846,641	397,866	1,244,507
NET BOOK VALUE As at 31 March 2012	827,222	177,885	1,005,107
As at 31 March 2011	1,006,482	143,753	1,150,235
As at 1 April 2010	1,044,413	69,895	1,114,308

The intellectual property has been purchased from third parties. Development costs have been internally generated.

Amortisation expenses of £234,369 (2011: £233,925) have been charged to Administrative expenses in the Consolidated Statement of Comprehensive Income. Development costs will be fully amortised within the next three years and Intellectual Property will be fully amortised within the next five years.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2012

13. PROPERTY & EQUIPMENT

	Freehold property	Furniture, fixtures and equipment	Computer equipment	Total
	£	£	£	£
COST				
As at 1 April 2010	420,000	62,097	202,603	684,700
Additions	-	37,469	12,289	49,758
Exchange differences	-	-	215	215
Disposals	-	(15,297)	(33,942)	(49,239)
As at 31 March 2011	420,000	84,269	181,165	685,434
Additions	-	10,498	80,734	91,232
Exchange differences	-	(504)	-	(504)
Disposals	-	-	-	-
As at 31 March 2012	420,000	94,263	261,899	776,162
DEPRECIATION				
As at 1 April 2010	17,632	51,338	171,852	240,822
Charge for year	4,408	5,150	21,081	30,639
Exchange differences	-	-	205	205
Disposals	-	(15,297)	(33,942)	(49,239)
As at 31 March 2011	22,040	41,191	159,196	222,427
Charge for year	4,408	11,332	20,882	36,622
Exchange differences	-	(5)	-	(5)
Disposals	-	-	-	-
As at 31 March 2012	26,448	52,518	180,078	259,044
NET BOOK VALUE				
As at 31 March 2012	393,552	41,745	81,821	517,118
As at 31 March 2011	397,960	43,078	21,969	463,007
As at 1 April 2010	402,368	10,759	30,751	443,878

Included within freehold property is £199,585 (2011: £199,585) relating to land which is not depreciated. The net book value of plant and computer equipment includes £51,750 (2011: £8,167) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge in respect of these assets was £6,417 (2011: £11,684).

Total depreciation expenses of £36,622 (2011: £30,639) have been charged to administrative expenses in the Consolidated Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

14. INVENTORIES

	2012	2011
	£	£
Finished goods and goods for resale	410,016	259,042

The cost of inventories recognised as an expense and included in cost of sales amounted to £1,889,499 (2011: £1,399,046). During the year old inventory lines totalling £40,947 (2011: nil) were written down and charged to cost of sales in the Consolidated Statement of Comprehensive income.

15. TRADE AND OTHER RECEIVABLES

	2012	2011
	£	£
Trade receivables	690,354	757,160
Other receivables	-	63,237
Prepayments	92,021	72,775
	782,375	893,172

The analysis of trade receivables by currency is as follows:

	2012	2011
	£	£
Pound sterling	570,532	638,604
Euro	54,147	111,188
Other	65,675	7,368
	690,354	757,160

An allowance for impairment is made where there is an identified event which, based on previous experience, is evidence of a reduction in the recoverability of the outstanding amount. An allowance has been made for estimated irrecoverable trade receivables of £20,500 (2011: £6,000).

As at 31 March 2012 trade receivables of £374,132 were past due but not impaired. The ageing analysis of these trade receivables is as follows:-

	2012	2011
	£	£
Up to 3 months	359,411	295,477
3 to 6 months	14,721	59,047
	374,132	354,524

The Directors consider that the carrying amount of trade and other receivables approximates to their fair values. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

16. DEFERRED TAX

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2012	2011
	£	£
Deferred tax asset		
Deferred tax asset to be recovered after more than 12 months	116,443	81,428
Deferred tax liability	£	£
Deferred tax liability to be recovered after more than 12 months	(18,022)	(18,185)
Deferred tax asset net	98,421	63,243

The movement in the deferred income tax assets and liabilities during the year is as follows:-

Deferred tax assets	Accelerated tax depreciation	Utilisation of unrecognised losses	Total
	£	£	£
As at 1 April 2011	(1,689)	83,117	81,428
Charged to the income statement	(15,050)	50,065	35,015
At 31 March 2012	(16,739)	133,182	116,443

Deferred tax liabilities	Building revaluation
	£
As at 1 April 2010	(18,348)
Credited to the income statement	163
At 31 March 2011	(18,185)
Credited to the income statement	163
At 31 March 2012	(18,022)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2012

17. TRADE AND OTHER PAYABLES

	2012	2011
	£	£
Trade payables	429,574	481,688
Taxation and social security	136,333	224,093
Other payables	14,801	43,588
Accruals and deferred income	669,964	723,705
	1,250,672	1,473,074

The Directors consider that the carrying amount of trade payables approximates to their fair value.

18. BORROWINGS

	2012	2011
	£	£
Bank loan	159,191	179,661
Obligations under finance leases and hire purchase arrangements (see note 20)	60,125	6,830
	219,316	186,491
On demand or within one year	56,223	27,305
After one and within two years	46,740	21,099
After two and within five years	69,269	67,225
After five years	47,084	70,862
	219,316	186,491
Less: Amount due for settlement within one year (shown as current liabilities)	(56,223)	(27,305)
Amount due for settlement after more than one year	163,093	159,186

The bank loan is secured by a fixed and floating charge on all the assets of the Group. It is repayable by monthly instalments until 2019 and bears interest at a floating rate of 2.50% over base rate.

19. PROVISIONS

	2012	2011
	£	£
As at 1 April	70,000	-
(Decrease) / increase during the year	(3,822)	70,000
At 31 March	66,178	70,000

The provision relates to the estimated additional costs payable under the terms of the contract for the acquisition of the telematics assets from Vincotech Gmbh. The costs relate to commission payable and have been estimated based on the anticipated numbers of units that will be sold.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2012

20. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2012 £	2011 £
Gross hire purchase liabilities – minimum payments:		
No later than 1 year	35,125	6,884
Later than 1 year and no later than 5 years	25,000	-
	60,125	6,884
Less future finance charges	-	(54)
Present value	60,125	6,830

The present value of minimum hire purchase payments is analysed as follows:

	2012 £	2011 £
No later than 1 year	35,125	6,830
Later than 1 year and no later than 5 years	25,000	-
	60,125	6,830

All contracts are denominated in sterling and are secured on the assets. The fair value of the hire purchase obligations approximates to their carrying amount.

21. SHARE CAPITAL

	2012 No's '000's	2012 £	2011 No's '000's	2011 £
Authorised				
Ordinary shares of 1p each	200,000	2,000,000	200,000	2,000,000
Allotted, issued and fully paid				
Ordinary shares of 1p each	18,864	188,647	18,764	187,647

Movement in share capital:

	2012 £	2011 £
As at 1 April	187,647	187,647
New shares issued	1,000	-
As at 31 March	188,647	187,647

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

for the year ended 31 March 2012

22. SHARE-BASED PAYMENTS

Trakm8 Holdings PLC has issued options (under the Trakm8 Approved Option Scheme) to subscribe for ordinary shares of 1p in the Company. The purpose of the Option Scheme is to retain and motivate eligible employees.

The exercise price and number of shares to which the options relate are as follows:

Option Exercise Price	Balance as at 31 March 2011	Granted during year	Exercised during year	Expired/ forfeited during the year	Balance as at 31 March 2012	Grant date	Option & expected Life (years)	Risk free rate of return	Volatility
5.25p	100,000	-	(100,000)	-	-	30/11/08	3.0	3.02%	54%
6.0p	550,000	-	-	-	550,000	30/07/09	3.0	3.02%	54%
15.5p	300,000		-		300,000	30/04/10	3.0	3.02%	60%
12.5p	-	200,000	-	(100,000)	100,000	31/07/11	3.0	3.02%	54%
Total	950,000	200,000	(100,000)	(100,000)	950,000				

The share price was 13.5 pence on 9 September 2011 being the date of exercise of the above 100,000 options. The weighted average exercise price of share options outstanding as at 31 March 2012 was 9.5 pence.

The exercise price of all share options is the closing market price on the day of grant. A vesting period of 1 or 2 years is applicable according to the terms of each scheme.

The fair value of the equity settled share options granted is estimated as at the date of grant using the Black Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The volatility has been based on historic share prices and the dividend yield has been assumed to be 0% for all schemes.

The Group charged £5,537 to the Statement of Comprehensive Income in respect of Share-Based Payments for the financial year ended 31 March 2012 (2011: £9,921).

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

23. CASH FLOWS

	2012	2011
	£	£
Reconciliation of profit before tax to net cash flow from operating activities:		
Profit before tax	83,884	323,133
Depreciation	36,622	30,639
Bank and other interest charges	4,461	5,578
Amortisation of intangible assets	234,369	233,925
Capitalised development costs	-	(103,441)
Share based payments	5,537	9,922
Operating cash flows before movement in working capital	364,873	499,756
Movement on retranslation of overseas operations	(994)	998
Movement in inventories	(150,974)	(152,406)
Movement in trade and other receivables	110,797	(191,843)
Movement in trade and other payables	(226,224)	375,401
Cash generated from operations	97,478	531,906
Interest paid	(5,249)	(6,557)
Interest received	788	979
Income taxes received	17,828	83,504
Net cash inflow from operating activities	110,845	609,832

Cash and cash equivalents comprise cash at bank, other short-term highly liquid investments with a maturity of three months or less (together presented as 'Cash and cash equivalents' on the face of the balance sheet).

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

24. FINANCIAL COMMITMENTS

At the balance sheet date, the Group had outstanding commitments for future minimum operating lease payments under non-cancellable operating leases, which fall due as follows:

	2012 £	2011 £
Operating Leases		
Land and buildings		
Within one year	17,522	14,222
In the second to fifth years inclusive	70,086	-
Other		
Within one year	34,112	12,078
In the second to fifth years inclusive	36,646	19,131

Land and buildings under operating leases represents one lease payable by the Group which has an expiry date in March 2017.

25. RELATED PARTY TRANSACTIONS

Details of the remuneration of the Directors, who are the key management personnel of the Group, are disclosed in the Directors' report.

J Watkins is a Director and shareholder of Omitec Group Limited. Omitec Limited is a wholly owned subsidiary of Omitec Group Limited.

During the year ended 31 March 2012 a total of £1,678,110 was invoiced to Trakm8 Limited by Omitec Limited (2011: £579,339) and Trakm8 Limited invoiced Omitec Limited £20,056 (2011: £10,668). The net balance due on 31 March 2012 from Trakm8 Limited to Omitec Limited was £129,717 (2011: £68,817). The value of outstanding commitments with Omitec as at 31 March 2012 was £1,563,346 (2011: £939,381)

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

26. FINANCIAL INSTRUMENTS

Financial risk factors
The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Where appropriate, the Group seeks to mitigate potential adverse effects on its financial performance.

Liquidity risk
The Group's objective is to maintain a balance between continuity and flexibility of funding through the use of borrowings and financial assets with a range of maturities. Borrowing facilities are monitored against the Group's forecast requirements and it is the Group's policy to mitigate the risk by maintaining undrawn overdraft facilities and cash reserves. The bank overdraft facility is £250,000 and as at 31 March 2012 this facility was not being utilised.

Credit risk
The Group's principal financial assets are bank balances, cash and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables and the Group attaches considerable importance to the collection and management of trade receivables. The Group minimises its credit risk through the application of appropriate credit limits to customers based on an assessment of net worth and trading history with the Group. Standard credit terms are net 30 days from date of invoice. Overdue trade receivables are managed through a phased escalation culminating in legal action.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Significant accounting policies
Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, liability and equity instrument are disclosed in note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*
for the year ended 31 March 2012

26. FINANCIAL INSTRUMENTS *(continued)*

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as debt divided by total capital. Debt is calculated as total borrowings including "current and non-current borrowings" as shown in the consolidated balance sheet. Total capital is calculated as "equity" as shown in the consolidated balance sheet plus debt.

The Group's strategy has been to reduce gearing and to increase cash and cash equivalents. This has been successfully achieved through the profits generated during the year.

	2012 £	2011 £
Total borrowings (note 18)	219,316	186,491
Total equity	2,379,833	2,235,989
Total capital	2,599,149	2,422,480
Gearing ratio	8%	7%

Financial instruments by category

Assets as per balance sheet — Loans and receivables

	2012 £	2011 £
Trade and other receivables excluding prepayments	705,842	820,397
Cash and cash equivalents	1,087,474	1,119,207
	1,793,316	1,939,604

Liabilities as per balance sheet — Financial liabilities at amortised cost

	2012 £	2011 £
Borrowings (excluding finance lease liabilities)	159,191	179,661
Hire purchase	60,125	6,830
Trade and other payables excluding statutory liabilities	1,114,339	1,248,981
	1,333,655	1,435,472

PARENT COMPANY BALANCE SHEET
as at 31 March 2012

	Notes	2012	2011
		£	£
FIXED ASSETS			
Investments	3	801,782	801,782
CURRENT ASSETS			
Debtors	4	894,364	564,804
Cash at bank		312,375	626,229
		1,206,739	1,191,033
CREDITORS: Amounts falling due within one year	5	(34,134)	(32,168)
NET CURRENT ASSETS		1,172,605	1,158,865
NET ASSETS		1,974,387	1,960,647
CAPITAL AND RESERVES			
Called up share capital	6	188,647	187,647
Share premium	7	1,723,652	1,719,402
Profit and loss account	7	62,088	53,598
SHAREHOLDERS' FUNDS		1,974,387	1,960,647

These financial statements were approved by the Directors and authorised for issue on 27 June 2012 and are signed on their behalf by:

D Buck
Director

J Hedges
Director

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
for the year ended 31 March 2012

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with the applicable accounting standards.

SHARE-BASED PAYMENTS

The company has applied the requirements of FRS 20 Share-based Payments. In accordance with the transitional provisions, FRS 20 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 April 2006.

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

The fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations. No expense is recognised for awards that do not ultimately vest.

FINANCIAL INSTRUMENTS

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

INVESTMENTS

Fixed asset investments are stated at cost less impairment against the cost of investments. The carrying values of investments in subsidiaries are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

FOREIGN CURRENCIES

Foreign currency assets and liabilities are converted to sterling at the rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are converted to sterling at the rates of exchange ruling at the transaction date. All of the resulting exchange differences are recognised in the profit and loss account as they arise.

DEFERRED TAXATION

Provision is made for deferred taxation in respect of all material timing differences that have originated but not reversed by the balance sheet date. Timing differences represent differences between gains and losses recognised for tax purposes in periods different from those in which they are recognised in the financial statements. No deferred tax is recognised on permanent differences between the Company's taxable gains and losses and its results as stated in the financial statements. Deferred tax assets and liabilities are included without discounting.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
(continued) for the year ended 31 March 2012

2. PROFIT AND LOSS ACCOUNT

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Company is not presented as part of these financial statements.

The profit after tax for the year in the Company is £2,953 (2011: loss £10,528).

3. INVESTMENTS

	Subsidiaries
Cost	£
At 1 April 2011 and 31 March 2012	801,782

Name of subsidiary	*Country of incorporation*	*Class of holding*	*Proportion held and voting rights*	*Nature of business*
Trakm8 Limited	England and Wales	Ordinary	100%	Marketing and distribution of vehicle telematics
PJSoft s.r.o.	Czech Republic	Ordinary	100%	Mapping services
Interactive Projects Limited	England and Wales	Ordinary	100%	Dormant
Purple Reality Limited	England and Wales	Ordinary	100%	Dormant

4. DEBTORS

	2012	2011
	£	£
Amounts due from subsidiary undertakings	887,619	558,971
Prepayments	6,745	5,833
	894,364	564,804

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	14,649	14,627
Accruals and other creditors	19,485	17,541
	34,134	32,168

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS
(continued) for the year ended 31 March 2012

6. SHARE CAPITAL

Details of share capital and share options are shown in notes 21 and 22 to the consolidated accounts above.

7. RESERVES

	Share Capital £	Share premium £	Share based payment reserve £	Profit and loss reserve £	Total £
At 1 April 2010	187,647	1,719,402	63,152	(69,146)	1,901,055
Prior year adjustment	-	-	-	60,199	60,199
Transfer share based payment reserve to profit and loss reserve	-	-	(63,152)	63,152	-
FRS20 Share based payments	-	-	-	9,921	9,921
Loss for the year	-	-	-	(10,528)	(10,528)
At 1 April 2011	187,647	1,719,402	-	53,598	1,960,647
Shares issued	1,000	4,250	-	-	5,250
FRS20 Share based payments	-	-	-	5,537	5,537
Profit for the year	-	-	-	2,953	2,953
As at 31 March 2012	188,647	1,723,652	-	62,088	1,974,387

8. RELATED PARTIES

The Company has taken advantage of the exemptions conferred by FRS 8 from the requirement to disclose transactions between wholly owned subsidiary undertakings.

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