trakm8 Holdings PLC

REPORT AND FINANCIAL STATEMENTS

for the year ended **31 March 2013**

OVERVIEW

We are a leading Fleet Management solutions provider, with headquarters in Shaftesbury, Dorset. Fundamenatally a UK based company, we are now rapidly expanding into Europe and the rest of the World by increasing focus on integrated solutions through our SWIFT product - establishing a growing base of recurring revenue.

Financial Highlights

- Revenue £4.75m (2012: £5.22m)
- Recurring revenues up by 9.9% to an annualised £2.15m
- Gross profit margin up to 71.9% (2012: 63.7%)
- EBITDA £0.31m (2012: £0.36m)
- Profit before tax £0.04m (2012: £0.08m)
- Cash balances up 29.2% to £1.41m at year end
- Net assets increased to £2.52m (2012: £2.38m)

Operational Highlights

- Investment for Growth strategy successfully implemented
- Successful transition to recurring revenue business model
- Strong year for new product and service launches, including:
  - Trakm8 eco[N], Logistics, and Tacho Telematics Solutions
- Encouraging order pipeline and sales opportunities
- Expanding range of international opportunities
- Completion of product transfer agreement with Visilink

Current trading Highlights

- Investments in new products and sales resource expected to positively impact the second half of new financial year and beyond
- Successful integration of Visilink customers
- Year to date revenues are 23% ahead of last year

Year End

31 March 2013

Revenue (£'s)

4.75m

(2012: £5.22m)

Gross profit margin (%)

71.9%

(2012: 63.7%)

Profit before tax (£'s)

0.04m

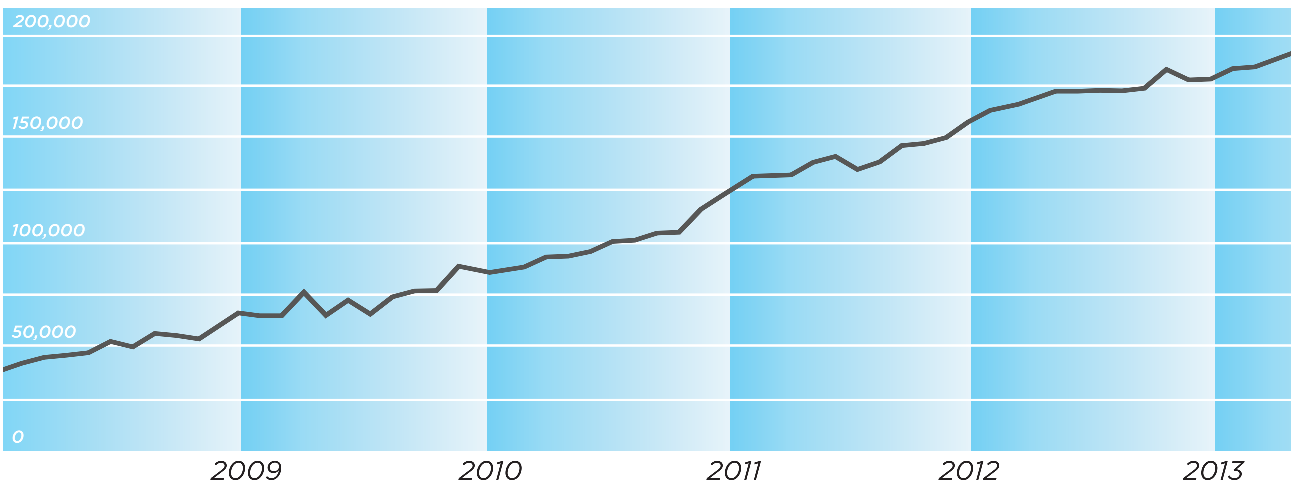
(2012: £0.08m)

Net Assets (£'s)

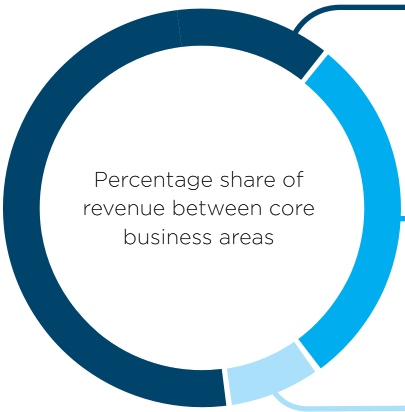
2.52m

(2012: £2.38m)

Monthly Recurring Revenue (£'s)



CORE AREAS OF BUSINESS



Solutions:
64%
£3,035,466

- Software, servers and web-based portal
- Recurring contracts

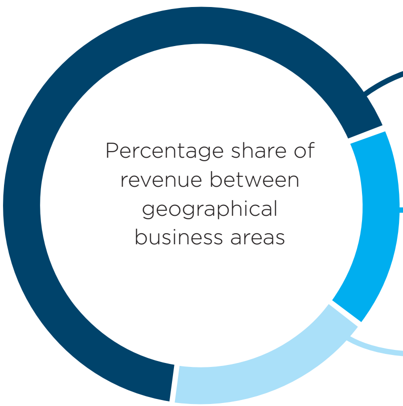
Products:
28%
£1,308,627

- Products hardware
- Product functionality key point of differentiator

Engineering Services:
8%
£405,823

- Telematic consultancy work (this can also act as a lead generator for SWIFT/Products sales)

WORLDWIDE DISTRIBUTION



UK
73%
£3,465,740

Europe
14%
£679,576

Rest of World
13%
£604,600

CONTENTS

OFFICERS AND ADVISERS

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

SECRETARY
J Hedges

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Shaftesbury
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TA1 2UH

NOMAD and BROKER
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60 New Broad Street
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EC2M 1JJ

FINANCIAL PUBLIC RELATIONS
MHP Communications
60 Great Portland Street
London
W1W 7RT

CHAIRMAN'S STATEMENT

I am pleased to report that Trakm8's strategy of reinvesting in the business in order to drive long term growth is bearing fruit.

Trakm8 has successfully introduced a number of new products and software solutions that have been well received by the market.

The strength of the Trakm8 financial model where little profit is taken on the original sales is demonstrated by the improvement in cash balances to £1.41m and rising recurring revenues which continues to be the key focus of our strategy.

I am encouraged by the outlook for the business. The Group is well positioned with a strong balance sheet in a growing market. With the increasingly advanced solutions offered by the Company's technology, I am confident that the business will continue to grow profitably and take advantage of opportunities as and when they arrive.

As announced separately, I have decided to step down after seven years as Chairman and non-executive Director of Trakm8. John Watkins, currently our Chief Executive, has become Executive Chairman, a new role. At the same time we are appointing Keith Evans, a former partner of PricewaterhouseCoopers, as non-executive director. It has been a pleasure contributing to the development of the Trakm8 story and I am confident that its future is bright and secure.

Dawson Buck
Chairman

CEO'S STATEMENT

I am pleased with the progress summarised in the Chairman's Statement.

The decision was taken last year and implemented early in the second half, to make a game changing investment in engineering, sales and support staff. This increased our operating costs by approximately £50,000 per month. This decision has also negatively impacted the profit and loss during the period as our revenues have as expected lagged these investments.

Due to delays on some product sales which took longer to complete than expected, overall revenues declined somewhat; although disappointing, this is a reflection of the increased emphasis on solutions sales and engineering services. The transition from the hardware supplier Trakm8 was five years ago to the full solutions supplier of today has made the revenue line move from one off sales today to long term recurring service revenues. As a result the top line can be strongly influenced by individual major contracts but the underlying revenue security of the Group continues to improve.

Trakm8 has enjoyed a significant improvement in sales of complete solutions and engineering services during the period. This has resulted in strong growth in recurring revenues and higher margins.

The Group revenues are accounted for in three segments:

Products

This is the segment where Trakm8 supplies other Telematics Service Providers with hardware solutions. In most cases this also includes our market leading unit configuration firmware. This has been a year of transition. Many of our UK customers for our products in the past have migrated to alternative suppliers that do not compete with them in the solutions market. This migration is perhaps a validation of our success in competing at the end user level.

Following the appointment of an International Business Development Manager early in the year, we have increased our international sales of hardware. This has taken some time to build traction as customers conduct extensive trials to ensure that the hardware meets their requirements. New customers have started to buy units from us in North and South America. Overall, the total number of units sold to third parties declined during the year, but the trend towards year-end was positive. The highlight of the year was the significant sales of hardware to Motorola as announced on 2 July 2012.

Whilst the sales of hardware to third party integrators help us to ensure our manufactured cost of products are as low as can be achieved, these revenues are at lower margins and have no on-going recurring revenues. As such they remain important to us but not the most strategically important segment.

Solutions

This segment is where Trakm8 supplies customers with a fully integrated service provision. Customers include the AA, E.ON and Jewson. This solution is also provided through a partner in South Africa.

The number of units reporting to Swift has continued to grow steadily throughout the year and this has increased the base of recurring monthly revenue, which provides the improved security and predictability to future income. By the end of the financial year the monthly recurring revenue had increased by 9.9% on the previous year to an annualised £2.15m. The majority of these revenues are not taken as upfront payments ensuring our cash receipts are close to sales booked.

We were pleased to announce on 25 April 2013 the completion of a product transfer agreement with Visilink, a Cheshire based Telematics Service Provider. Under the agreement Visilink's entire customer base was offered the opportunity to transfer to our Swift solution. This process proved that we could communicate with third party hardware via our Stream servers. No revenues accrued during the year to March 2013 but we expect over 500 units to eventually migrate onto Swift, providing a lift in recurring revenues for the new financial year.

During the year the Company enhanced the engineering investments in new solutions and launched updated versions of Swift and eco^{N}. We also launched a new fleet management routing and scheduling package called Logistics. This package has three early adopters and has an encouraging number of other inquiries.

Another new product developed during the year but launched in the last month is the Tachograph range of solutions that integrate the digital tachograph information into mobile applications for driver and

CEO'S STATEMENT (continued)

operator status reporting and provide operators with the legal compliance data required to meet the driver hours regulations. Again early adopters have expressed positive feedback and the pipeline of opportunities is growing.

We have also undertaken a considerable amount of development to white label our eco^N solution for a new customer. This has been a considerable engineering task and no solutions revenues were derived during the period. There are, however, good opportunities as a result of this development. It is encouraging that this product is taking market share from more established competitors.

The Solutions segment is the core value enhancing activity of the Group and, overall our revenues grew by 9.3% during the period.

Engineering Services

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

These engineering projects provide profitable consultancy activities in themselves, but also help to integrate customers to Trakm8 solutions, and provide on-going support and maintenance revenues.
Projects for Jewson, St Gobain and others have been undertaken in the past 12 months and whilst this activity remains a small percentage of the Group revenues it is considered a key differentiator, skill and value added capability.

This segment increased by £0.19m over the previous year to £0.41m.

Outlook

The Board is confident that our investments in new products and sales resources will positively impact the second half of new financial year and beyond. In the meantime we have a strong pipeline of new products and solutions and we are confident that our recurring revenues will carry on growing. We continue to receive inquiries for increasing levels of engineering services work.

The new solutions and agreements we have announced since the year end will provide additional revenues and opportunities in the current financial year and after the first two months of trading our revenues are ahead of last year.

With our strong balance sheet, good cash generation, and robust business model Trakm8 is in a position to consider augmenting growth through selective acquisitions alongside our current organic growth strategy. Any acquisition will need to meet our narrow market segment objectives and financial criteria.

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

John Watkins
CEO

DIRECTOR'S REPORT

The Directors submit their report and financial statements of Trakm8 Holdings PLC for the year ended 31 March 2013.

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 5 to 7.

RESULTS AND DIVIDENDS

The Group results for the year ended 31 March 2013 are shown in the Consolidated Statement of Comprehensive Income on page 14. 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 5 to 7.

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. During the year we announced a strategic investment in our research and development activities in order to further enhance the Group's development resources and products for future years.

KEY PERFORMANCE INDICATORS

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

1. Operating profit. The Group produced an operating profit of £39,577 compared to last year's operating profit of £88,345. The decrease in operating profit was as a result of our investment in sales, marketing and engineering activities.
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 decreased from £219,316 to £163,083 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

DIRECTOR'S REPORT (continued)

DIRECTORS AND THEIR INTERESTS

The present members of the Board are as listed on page 4. The Directors' interests in the shares of the Company are detailed below:-

	1p ordinary shares At 31 March 2013	% of issued ordinary share capital (18,864,731 ordinary shares)	1p ordinary shares At 1 Apr 2012 or on subsequent date of appointment	% of issued ordinary share capital (18,764,731 ordinary shares)
C D Buck	641,994	3.37%	541,994	2.87%
M Cowley	1,269,203	6.66%	1,194,203	6.33%
T Cowley	1,534,002	8.05%	1,459,002	7.73%
J Hedges	1,470,808	7.72%	1,171,025	6.21%
J Watkins	4,581,162	24.05%	3,852,738	20.42%
P Wilson	555,512	2.86%	420,512	2.23%

The Directors had no interest in the share capital of the Company's subsidiary undertakings at 31 March 2013 or on the date on which these financial statements were approved.

Directors' Remuneration

The Directors' remuneration for the year ended 31 March 2013 was:

Audited

	Salaries & Fees £	Bonuses £	Benefits £	Share Options £	**Total 31 March 2013 £**	**Total 31 March 2012 £**
D Buck	35,000	-	-	748	35,748	35,000
M Cowley	78,925	893	5,581	2,243	87,642	81,712
T Cowley	82,106	929	5,581	2,243	90,859	84,798
J Hedges	82,106	929	5,770	2,990	91,795	84,723
J Watkins	101,656	7,749	11,047	4,110	124,562	84,769
P Wilson	75,338	852	9,429	2,243	87,862	83,094
Total	455,131	11,352	37,408	14,577	518,468	454,096

DIRECTOR'S REPORT (continued)

Directors' Share Options

At 31 March 2013 the following options had been granted to the Company's Directors and remain current and unexercised:

	Option exercise price	Balance as at 31 March 2012	Granted during year	Exercised during year	Expired/ forfeited during year	Balance as at 31 March 2013	Expiry date
D Buck	£0.06	100,000	-	(100,000)	-	-	-
	£0.13	-	50,000	-	-	50,000	30/07/22
M Cowley	£0.06	75,000	-	(75,000)	-	-	-
	£0.13	-	150,000	-	-	150,000	30/07/22
T Cowley	£0.06	75,000	-	(75,000)	-	-	-
	£0.13	-	150,000	-	-	150,000	30/07/22
J Hedges	£0.13	-	200,000	-	-	200,000	30/07/22
J Watkins	£0.06	200,000	-	(200,000)	-	-	-
	£0.13	-	275,000	-	-	275,000	30/07/22
P Wilson	£0.06	100,000	-	(100,000)	-	-	-
	£0.13	-	150,000	-	-	150,000	30/07/22

The Group provides indemnity cover for the Directors.

DIRECTOR'S 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 68 days of purchases (2012: 45 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.

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.

AUDITORS

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

By approval of the Board on 28 June 2013.

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.

We have audited the financial statements of Trakm8 Holdings PLC for the year ending 31st March 2013 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, 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.

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

We have audited the financial statements of Trakm8 Holdings PLC for the year ending 31st March 2013 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, 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 12, 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 2013 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.

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 ex planations 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

28 June 2013

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2013

	Notes	2013 £	2012 £
REVENUE	6	4,749,916	5,215,565
Cost of sales		(1,332,833)	(1,889,499)
Gross profit		3,417,083	3,326,066
Other income	7	-	5,039
		3,417,089	3,331,105
Administrative expenses		(3,377,506)	(3,242,760)
OPERATING PROFIT	7	39,577	88,345
Finance income		2,423	788
		42,000	89,133
Finance costs	8	(4,478)	(5,249)
PROFIT BEFORE TAXATION		37,522	83,884
Income tax credit	9	112,537	50,666
PROFIT FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE PARENT		150,059	134,550
OTHER COMPREHENSIVE INCOME			
Currency translation differences		(1,615)	1,493
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		148,444	136,043
EARNINGS PER ORDINARY SHARE (PENCE) ATTRIBUTABLE TO OWNERS OF THE PARENT			
Basic	11	0.79p	0.71p
Diluted	11	0.78p	0.70p

There were no discontinued operations in 2013 or 2012. Accordingly the results relate to continuing operations.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2013

	Share Capital £	Share premium £	Merger Reserve £	Translation reserve £	Retained Earnings £	Total equity attributable to owners of the parent £
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 1 April 2012	188,647	1,723,652	509,837	204,828	(247,131)	2,379,833
Comprehensive income						
Profit for the year	-	-	-	-	150,059	150,059
Other comprehensive income						
Exchange differences on translation of overseas operations	-	-	-	(1,615)	-	(1,615)
Total comprehensive income	-	-	-	(1,615)	150,059	148,444
Transactions with owners						
Shares issued	5,500	27,500	-	-	-	33,000
Purchase of own shares	-	-	-	-	(57,924)	(57,924)
IFRS2 Share based payments	-	-	-	-	19,656	19,656
Transactions with owners	5,500	27,500	-	-	111,791	143,176
Balance as at 31 March 2013	194,147	1,751,152	509,837	203,213	(135,340)	2,523,009

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2013

	Notes	2013 £	2012 £
NON CURRENT ASSETS			
Intangible assets	12	868,530	1,005,107
Property and equipment	13	560,175	517,118
Deferred income tax asset	16	110,290	98,421
		1,538,995	1,620,646
CURRENT ASSETS			
Inventories	14	548,143	410,016
Trade and other receivables	15	643,172	782,375
Current tax assets	9	100,668	15,488
Cash and cash equivalents		1,405,133	1,087,474
		2,697,116	2,295,353
CURRENT LIABILITIES			
Trade and other payables	17	(1,532,349)	(1,250,672)
Borrowings	18	(46,740)	(56,223)
		(1,579,089)	(1,306,895)
CURRENT ASSETS LESS CURRENT LIABILITIES		1,118,027	988,458
TOTAL ASSETS LESS CURRENT LIABILITIES		2,657,022	2,609,104
NON CURRENT LIABILITIES			
Borrowings	18	(116,343)	(163,093)
Provisions	19	(17,670)	(66,178)
NET ASSETS		2,523,009	2,379,833
EQUITY			
Share capital	21	194,147	188,647
Share premium account		1,751,152	1,723,652
Merger reserve account		509,837	509,837
Translation reserve		203,213	204,828
Retained earnings		(135,340)	(247,131)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		2,523,009	2,379,833

These financial statements were approved by the Board of Directors and authorised for issue on 28 June 2013 and are signed on their behalf by:

J Watkins
Director

J Hedges
Director

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 March 2013

	Notes	2013 £	2012 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	23	496,650	110,845
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(97,834)	(91,232)
Purchases of intangible assets		-	(89,241)
NET CASH USED IN INVESTING ACTIVITIES		(97,834)	(180,473)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of new shares		33,000	5,250
Purchase of Treasury shares		(57,924)	-
(Repayment) / new obligations under hire purchase agreements		(35,125)	53,296
Repayment of loans		(21,108)	(20,471)
NET CASH (USED IN) /FROM FINANCING ACTIVITIES		(81,157)	38,075
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		317,659	(31,553)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,087,474	1,119,027
CASH AND CASH EQUIVALENTS AT END OF YEAR		1,405,133	1,087,474

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

4. ACCOUNTING POLICIES (continued)

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.

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

for the year ended 31 March 2013 (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

4. ACCOUNTING POLICIES (continued)

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.

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

for the year ended 31 March 2013 (continued)

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 not adopted any new interpretations or amendments to existing standards in the year ended 31 March 2013.

b. There are no standards or interpretations that have been issued by the IASB that will have a material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

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 £237,281. 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

for the year ended 31 March 2013 (continued)

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. Products is the sale of hardware through the Group's distributors. Solutions represents the sale of the Group's full vehicle telematics service direct to customers. Engineering 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 2013	Products £	Solutions £	Engineering services £	Unallocated £	Total £
Segment revenue	1,308,627	3,035,466	405,823	-	4,749,916
Gross profit	306,945	2,704,315	405,823	-	3,417,083
Depreciation & amortisation	(117,841)	(66,569)	(90,052)	-	(274,462)
Finance income	-	-	-	2,423	2,423
Finance costs	-	-	-	(4,478)	(4,478)
Income tax	-	-	-	112,537	112,537

Year ended 31 March 2012	Products £	Solutions £	Engineering 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
Government grant 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

for the year ended 31 March 2013 (continued)

6. SEGMENTAL ANALYSIS (continued)

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 2013	Products £	Solutions £	Engineering services £	Total £
United Kingdom	219,703	2,942,885	303,152	3,465,740
Europe	608,186	65,744	5,646	679,576
Africa	93,000	-	90,525	183,525
Rest of the World	387,738	26,837	6,500	421,075
	1,308,627	3,035,466	405,823	4,749,916

The Group had one customer who accounted for more than 10% of the Group revenue (2012: one).

Year ended 31 March 2012	Products £	Solutions £	Engineering 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	2,776,872	212,463	5,215,565

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

7. PROFIT FROM OPERATIONS

	2013 £	2012 £
Profit from operations is stated after charging/ (crediting):		
Other income - Government grant	-	(5,039)
Loss on disposal of fixed assets	2,633	-
Depreciation - owned fixed assets	33,560	30,205
- assets on hire purchase	18,417	6,417
Amortisation of intangible assets	219,852	234,369
Operating lease rentals - Land and buildings	17,729	14,251
- Other	76,187	31,123
Loss on foreign exchange transactions	6,936	11,180
Staff costs (note 10)	1,945,388	1,714,323

		2013 £	2012 £
Auditor's remuneration			
- audit services	Parent Company and consolidation	4,825	4,680
	Subsidiary audits	11,250	10,920
- tax advisory services		2,340	2,285

			2013 £	2012 £
R&D Cost				
	-	Expensed	457,067	598,818
	-	Amortised	66,978	55,109

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

8. FINANCE COSTS

	2013 £	2012 £
Interest on finance leases	-	54
Interest on other loans	4,478	5,195
	4,478	5,249

9. INCOME TAX

	2013 £	2012 £
R&D tax credit	(100,668)	(15,488)
Recognition of deferred tax	(40,868)	(112,689)
Current year deferred tax movement	28,999	77,511
Income tax credit	(112,537)	(50,666)

Factors affecting the tax charge

The tax assessed for the year is lower (2012: lower) than the applicable rate of corporation tax in the UK. The difference is explained below:

	2013 £	2012 £
Profit before tax	37,522	83,884
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 24% (2011: 26%)	9,005	21,810
Effects of:		
Expenses not deductible/income not taxable	1,687	23,167
Share option adjustment	(4,717)	(706)
Temporary differences	4,717	16,979
Change in deferred tax rates	18,307	16,261
Deferred tax brought forward recognised	(40,868)	(112,689)
R&D tax credit	(100,668)	(15,488)
Total tax	(112,537)	(50,666)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

10. EMPLOYEES

	2013 No.	2012 No.
The average monthly number of persons (including Directors) employed by the Group was:		
Research and development	18	15
Selling and distribution	24	19
Production	1	1
Administration	10	10
	53	45

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

	2013 £	2012 £
Wages and salaries	1,707,001	1,509,854
Social security costs	218,731	198,931
Share based payments	19,656	5,537
	1,945,388	1,714,322

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

	2013 £	2012 £
Wages and salaries	466,483	434,337
Benefits	37,408	19,759
Social security costs	53,525	49,659
Share based payments	14,577	1,103
	571,993	504,858

Further details of Directors' fees and salaries, bonuses and pensions are given in the Directors' Report on page 9.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

11. EARNINGS PER ORDINARY SHARE

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:

	2013 £	2012 £
Earnings for the year after taxation	150,059	134,550
	No.	No.
Number of ordinary shares of 1p each	19,044,731	18,864,731
Basic weighted average number of ordinary shares of 1p each	18,999,526	18,820,621
Basic weighted average number of ordinary shares of 1p each (diluted)	19,208,565	19,159,446
Basic profit pence per share	0.79p	0.71p
Diluted profit pence per share	0.78p	0.70p

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

12. INTANGIBLE ASSETS

	Intellectual property £	Development costs £	Total £
COST			
As at 1 April 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
Additions	-	126,375	126,375
Reduction in acquisition cost	(43,100)	-	(43,100)
As at 31 March 2013	1,630,763	702,126	2,332,889

	Intellectual property £	Development costs £	Total £
AMORTISATION			
As at 1 April 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
Charge for year	152,874	66,978	219,852
As at 31 March 2013	999,515	464,844	1,464,359
NET BOOK VALUE			
As at 31 March 2013	631,248	237,282	868,530
As at 31 March 2012	827,222	177,885	1,005,107
As at 1 April 2011	1,006,482	143,753	1,150,235

Development costs have been internally generated.

Amortisation expenses of £219,852 (2012: £234,369) have been charged to Administrative expenses in the Consolidated Statement of Comprehensive Income. Development costs will be fully amortised within the next four years and Intellectual Property will be fully amortised within the next four years.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

13. PROPERTY & EQUIPMENT

	Freehold property £	Furniture, fixtures and equipment £	Computer equipment £	Total £
COST				
As at 1 April 2011	420,000	84,269	181,165	685,434
Additions	-	10,498	80,734	91,232
Exchange differences	-	(504)	-	(504)
As at 31 March 2012	420,000	94,263	261,899	776,162
Additions	900	76,659	20,275	97,834
Exchange differences	-	(172)	(177)	(349)
Disposals	-	(23,418)	(60,265)	(83,683)
As at 31 March 2013	420,900	147,332	221,732	789,964

	Freehold property £	Furniture, fixtures and equipment £	Computer equipment £	Total £
DEPRECIATION				
As at 1 April 2011	22,040	41,191	159,196	222,427
Charge for year	4,408	11,332	20,882	36,622
Exchange differences	-	(5)	-	(5)
As at 31 March 2012	26,448	52,518	180,078	259,044
Charge for year	4,419	10,148	37,410	51,977
Exchange differences	-	(3)	(177)	(180)
Disposals	-	(20,787)	(60,265)	(81,052)
As at 31 March 2013	30,867	41,876	157,046	229,789
NET BOOK VALUE				
As at 31 March 2013	390,033	105,456	64,686	560,175
As at 31 March 2012	393,552	41,745	81,821	517,118
As at 1 April 2011	397,960	43,078	21,969	463,007

Included within freehold property is £199,585 (2012: £199,585) relating to land which is not depreciated. The net book value of computer equipment includes £33,333 (2012: £51,750) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge in respect of these assets was £18,417 (2012: £6,417).

Total depreciation expenses of £51,977 (2012: £36,622) have been charged to administrative expenses in the Consolidated Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

14. INVENTORIES

	2013 £	2012 £
Finished goods and goods for resale	548,143	410,016

The cost of inventories recognised as an expense and included in cost of sales amounted to £1,332,833 (2012: £1,889,499). During the year old inventory lines totalling £35,000 (2012: £40,947) were written down and charged to cost of sales in the Consolidated Statement of Comprehensive income.

15. TRADE AND OTHER RECEIVABLES

	2013 £	2012 £
Trade receivables	543,390	690,354
Prepayments	99,782	92,021
	643,172	782,375

The analysis of trade receivables by currency is as follows:

	2013 £	2012 £
Pound sterling	519,433	570,532
Euro	-	54,147
Other	23,957	65,675
	543,390	690,354

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. The allowance that has been made for estimated irrecoverable trade receivables is nil (2012: £20,500).

As at 31 March 2013 trade receivables of £192,177 were past due but not impaired. The ageing analysis of these trade receivables is as follows:-

	2013 £	2012 £
Up to 3 months	187,806	359,411
3 to 6 months	4,371	14,721
	192,177	374,132

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

for the year ended 31 March 2013 (continued)

16. DEFERRED TAX

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

	2013 £	2012 £
Deferred tax asset		
Deferred tax asset to be recovered after more than 12 months	128,149	116,443
Deferred tax liability		
Deferred tax liability to be recovered after more than 12 months	(17,859)	(18,022)
Deferred tax asset net	110,290	98,421

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 2012	(16,739)	133,182	116,443
Charged to the income statement	(6,829)	18,535	11,706
At 31 March 2013	(23,568)	151,717	128,149

Deferred tax liabilities	Building revaluation £
As at 1 April 2011	(18,185)
Credited to the income statement	163
At 31 March 2012	(18,022)
Credited to the income statement	163
At 31 March 2013	(17,859)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

17. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2013 £	2012 £
Trade payables	684,417	429,574
Taxation and social security	146,277	136,333
Other payables	14,400	14,801
Accruals and deferred income	687,255	669,964
	1,532,349	1,250,672

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

18. BORROWINGS

	2013 £	2012 £
Bank loan	138,083	159,191
Obligations under finance leases and hire purchase arrangements (see note 20)	25,000	60,125
	163,083	219,316

	2013 £	2012 £
On demand or within one year	46,740	56,223
After one and within two years	22,402	46,740
After two and within five years	71,377	69,269
After five years	22,564	47,084
	163,083	219,316
Less: Amount due for settlement within one year (shown as current liabilities)	(46,740)	(56,223)
Amount due for settlement after more than one year	116,343	163,093

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

19. PROVISIONS

	2013 £	2012 £
As at 1 April	66,178	70,000
Decrease during the year	(48,508)	(3,822)
At 31 March	17,670	66,178

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.

20. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2013 £	2012 £
Gross hire purchase liabilities – minimum payments:		
No later than 1 year	25,000	35,125
Later than 1 year and no later than 5 years	-	25,000
	25,000	60,125
Less future finance charges	-	-
Present value	25,000	60,125

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

	2013 £	2012 £
No later than 1 year	25,000	35,125
Later than 1 year and no later than 5 years	-	25,000
	25,000	60,125

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

21. SHARE CAPITAL

	2013		2012	
	No's '000's	£	No's '000's	£
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	19,414	194,147	18,864	188,647

Movement in share capital:

	2013 £	2012 £
As at 1 April	188,647	187,647
New shares issued	5,500	1,000
As at 31 March	194,147	188,647

The Company currently holds 370,000 Ordinary Shares in treasury representing 1.9% of the Company's issued share capital. The number of 1 pence Ordinary Shares that the Company has in issue less the total number of treasury shares is 19,044,731.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

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 2012	Granted during year	Exercised during year	Expired/ forfeited during the year	Balance as at 31 March 2013	Grant date	Option & expected Life (years)	Risk free rate of return	Volatility
6p	550,000	-	(550,000)	-	-	30/07/09	3.0	-	-
15.5p	300,000	-	-	-	300,000	30/04/10	3.0	3.02%	54%
12.5p	100,000	-	-	-	100,000	31/07/11	3.0	3.02%	54%
13p	-		-	-	1,225,000	30/07/12	10.0	3.02%	54%

The share price was 13.5 pence on 1 May 2012 being the date of exercise of the above 550,000 options. The weighted average exercise price of share options which were outstanding as at 31 March 2013 was 13.5 pence.

The exercise of all share options is the closing market price on the day of grant. A vesting period of 1 to 3 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 £19,659 to the Statement of Comprehensive Income in respect of Share-Based Payments for the financial year ended 31 March 2013 (2012: £5,537).

Share options exercisable at the 31 March 2013 were 400,000.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

23. CASH FLOWS

	Development costs £	Total £
Reconciliation of profit before tax to net cash flow from operating activities:		
Profit before tax	37,522	83,884
Depreciation	54,610	36,622
Bank and other interest charges	2,055	4,461
Amortisation of intangible assets	219,852	234,369
Capitalised development costs	(126,375)	-
Share based payments	19,656	5,537
Operating cash flows before movement in working capital	207,320	364,873
Movement on retranslation of overseas operations	(1,446)	(994)
Movement in inventories	(138,127)	(150,974)
Movement in trade and other receivables	139,203	110,797
Movement in trade and other payables	276,267	(226,224)
Cash generated from operations	483,217	97,478
Interest paid	(4,478)	(5,249)
Interest received	2,423	788
Income taxes received	15,488	17,828
Net cash inflow from operating activities	496,650	110,845

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

for the year ended 31 March 2013 (continued)

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:

Operating Leases	2013 £	2012 £
Land and buildings		
Within one year	17,729	17,522
In the second to fifth years inclusive	53,186	70,086
Other		
Within one year	86,898	34,112
In the second to fifth years inclusive	62,995	36,646

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 and share transactions with the company of the Directors, who are the key management personnel of the Group, are disclosed in the Directors' report.

J Watkins was a Director and shareholder of Omitec Group Limited until 2 July 2012 when the Group was sold to Continental. Omitec Limited was a wholly owned subsidiary of Omitec Group Limited. Since that date Linda Watkins, wife of John Watkins, remained a Director of Omitec Limited but resigned on the 31 March 2013.

During the year ended 31 March 2013 a total of £1,263,349 was invoiced to Trakm8 Limited by Omitec Limited (2012: £1,678,110) and Trakm8 Limited invoiced Omitec Limited £12,673 (2012: £20,056).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

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 2013 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013 (continued)

26. FINANCIAL INSTRUMENTS (continued)

	2013 £	2012 £
Total borrowings (note 18)	163,083	219,316
Total equity	2,523,009	2,379,833
Total capital	2,686,092	2,599,149
Gearing ratio	6%	8%

Financial instruments by category

	Loan and receivables	
Assets per balance sheet	2013 £	2012 £
Trade and other receivables excluding prepayments	644,058	705,842
Cash and cash equivalents	1,405,133	1,087,474
	2,049,191	1,793,316

	Financial liabilities at amortised cost	
Liabilities as per balance sheet	2013 £	2012 £
Borrowings (excluding finance lease liabilities)	138,083	159,191
Hire purchase	25,000	60,125
Trade and other payables excluding statutory liabilities	1,386,072	1,114,339
	1,549,155	1,333,655

PARENT COMPANY BALANCE SHEET

as at 31 March 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Investments	3	801,782	801,782
CURRENT ASSETS			
Debtors	4	150,005	894,364
Cash at bank		1,049,958	312,375
		1,199,963	1,206,739
CREDITORS: Amounts falling due within one year	5	(42,455)	(34,134)
NET CURRENT ASSETS		1,157,508	1,172,605
NET ASSETS		1,959,290	1,974,387
CAPITAL AND RESERVES			
Called up share capital	6	194,147	188,647
Share premium	7	1,751,152	1,723,652
Profit and loss account	7	13,991	62,088
SHAREHOLDERS' FUNDS		1,959,290	1,974,387

These financial statements were approved by the Directors and authorised for issue on 28 June 2013 and are signed on their behalf by:

J Watkins
Director

J Hedges
Director

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS for the year ended 31 March 2013

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.

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 (loss)/profit after tax for the year in the Company is (£9,829) (2012: Profit £2,953).

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS for the year ended 31 March 2013 (continued)

3. INVESTMENTS

Cost	Subsidiaries £
At 1 April 2012 and 31 March 2013	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
Trakm8 s.r.o. (formally 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

	2013 £	2012 £
Amounts due from subsidiary undertakings	149,633	887,619
Prepayments	372	6,745
	150,005	894,364

5. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	22,115	14,649
Accruals and other creditors	20,340	19,485
	42,455	34,134

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS for the year ended 31 March 2013 (continued)

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 £	Profit and loss reserve £	Total £
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
At 1 April 2012	188,647	1,723,652	62,088	1,974,387
Shares issued	5,500	27,500	-	33,000
FRS20 Share based payments	-	-	19,656	19,656
Purchase of own shares	-	-	(57,924)	(57,924)
Loss for the year	-	-	(9,829)	(9,829)
As at 31 March 2013	194,147	1,751,152	13,991	1,959,290

8. FINANCIAL COMMITMENTS

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

Operating Leases	2013 £	2012 £
Motor Vehicles		
Within one year	4,464	-
In the second to fifth years inclusive	6,325	-

9. 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.