trakm8 You drive. We think.

trakm8 Holdings PLC

REPORT AND FINANCIAL STATEMENTS

for the year ended **31 March 2014**

trakm8 Holdings PLC

CONTENTS

HIGHLIGHTS

FINANCIAL

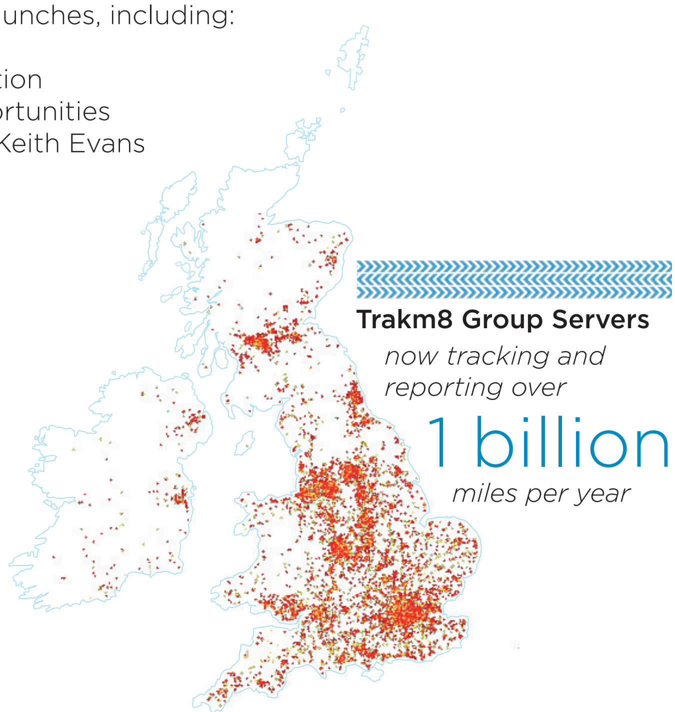
- Revenue up 94% at £9.19m (2013: £4.75m)
- Recurring revenues up by 111% to an annualised £4.5m
- Like for like orders received up 46%
- EBITDA pre-exceptional costs £1.18m (2013: £0.31m)
- Profit before tax pre-exceptional costs £0.83m (2013: £0.04m)
- Adjusted earnings per share 3.48p (2013: 0.79p)
- Strong Operating Cash Flow £1.32m; Net positive cash £0.62m
- Net assets increased to £5.13m (2013: £2.52m)
- Completed £2.07m fundraising; securing first Institutional Investors on share register

OPERATING

- Acquisition of BOX Telematics successfully completed and integrated
- Successful growth of recurring revenue business model
- Major contract secured with Direct Line Group
- Strong year for new product and service launches, including:
  - T10 hardware family
  - Swift 6 Fleet Management solution
- Encouraging order pipeline and sales opportunities
- Strengthened Board with appointment of Keith Evans as Independent Non-Executive Director

CURRENT TRADING

- Full year of BOX Telematics Limited and new contract awards secure strong growth in revenues and profitability
- Successful migration of new product and solutions manufacturing from Trakm8 into BOX Telematics
- Year to date revenues are well ahead of last year and trading is in line with expectations
- Continue to identify and evaluate further acquisition opportunities



Year End *31 March 2014*

Revenue

£9.19m

(2013: £4.6m)

EBITDA pre-exceptional costs

£1.18m

(2013: £0.31m)

Net profit pre-exceptional costs

£0.83m

(2013: £0.04m)

Strong operating cash flow

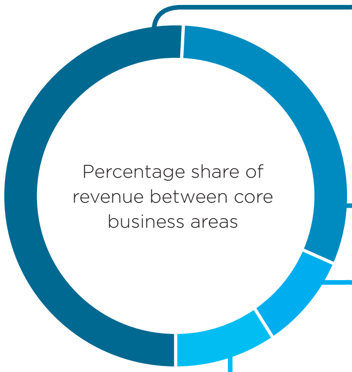
£1.32m

(2013: £0.62m)

Net assets

£5.13m

(2013: £2.52m)



Core Areas of Business

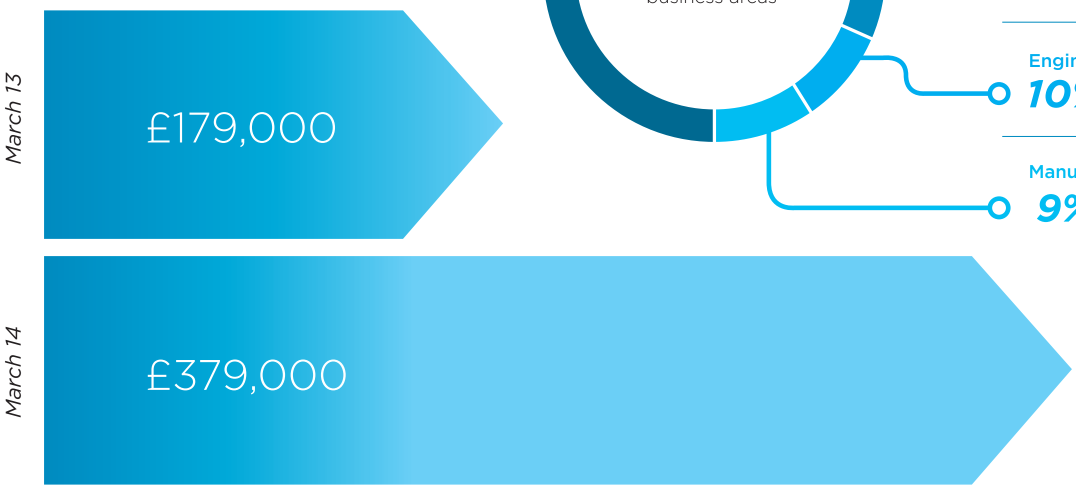
Solutions: ***53%***

Products: ***28%***

Engineering Services: ***10%***

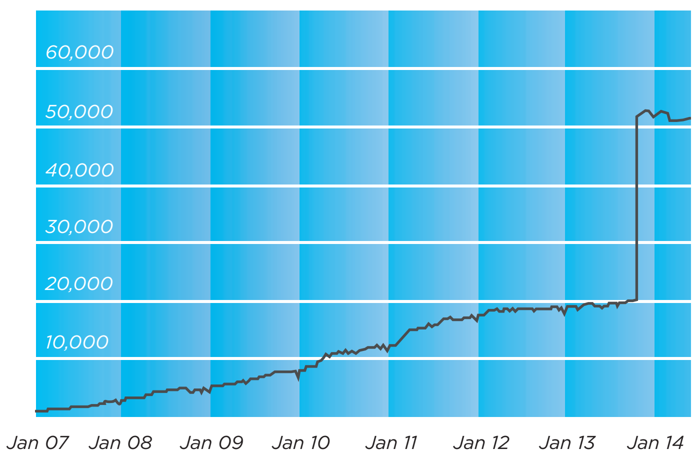
Manufacturing Services: ***9%***

Monthly Recurring Revenues



+112%

UK Installed Base



Acquisition of BOX Telematics

completed

October 2013

BIG DATA

Trakm8 have an in house development team dedicated to using statistical techniques to analyse Big Data and further develop our IT Technologies. The team uses their knowledge and expertise to drive improved monitoring algorithms, feeding back on driver behaviour and impact on fuel economy and accident risk.

COMFORT – SMOOTHER DRIVING STYLE

FUEL – INCREASED EFFICIENCY

RISK – ACCURATE INSURANCE PREMIUMS

SERVICE – MONITOR AND MAINTAIN

NEXT GENERATION SOFTWARE

The sixth version of the SWIFT web based portal was launched in 2014. The BOX Telematics software has been migrated onto the same platform which equates to Trakm8 now reporting on over a billion miles each year.

ROUTING AND SCHEDULING

TRACKING

IMMOBILISATION

TACHO DOWNLOADS

PRODUCTS

The design and development of our telematics hardware units is undertaken entirely in-house. Trakm8 launched the 8th generation of hardware during the year and all new models are now manufactured at Trakm8's own manufacturing facility based in the Midlands, UK.

With the recent release of the T10 product range, the hardware continues to set new standards in the telematics industry. The self-install device enables Trakm8's technology to obtain engine and emission data by connecting to the vehicle CANbus, enabling vehicle information to be accessible, such as vehicle fault codes, CO_2 emissions, fuel usage and driver behaviour.

ENGINEERING SERVICES

Trakm8 Group further strengthened their Engineering Services sector by developing customer specific telematics solutions to integrate with client systems. Examples include logistics software for Jewsons, an AA branded SWIFT portal and an innovative driver feedback display for 21st Century bus applications

- B2B and B2C SOLUTIONS
- iOS and ANDROID
- END TO END DEVELOPMENT
- SOLUTIONS DELIVERED AS SAAS
- BROWSER BASED SOLUTIONS
- MOBILE DATA TERMINAL SOLUTION

MANUFACTURING SERVICES

The Manufacturing Services business acquired with Box Telematics means Trakm8 now have complete control over their offering to customers. The facility also enables Trakm8 to offer sub contract electronic manufacturing services to a variety of clients.

EXECUTIVE CHAIRMAN'S STATEMENT

INTRODUCTION

I am pleased to report that Trakm8's strategy of driving organic growth through investments in engineering and sales resource, along with judicious acquisitions, is proving successful. The year has been one of significant growth, both organically with new product launches, in addition to client wins and through our investment in earnings enhancing acquisitions.

As part of the strategy to develop the Group organically, Trakm8 has successfully introduced a number of new products and software solutions that have been well received by the market. These products are being integrated into the BOX products and solutions channels.

The acquisition of BOX Telematics Limited (BOX) in October 2013 was a significant milestone in the development of the Group. Due to the size of the target it necessitated a reverse takeover under the AIM rules, a complex and lengthy process. We successfully raised £2.07m new equity from existing shareholders and new institutional investors, who represented the first such investors on our shareholder register. This equity was raised at a premium to the then prevailing share price, which was a testament to the value seen in the combined Group.

All the costs associated with the transaction amounting to £0.43m have been treated as exceptional when analysing the results.

The positive cash generation shows the strength of the Trakm8 financial model. Year-end cash was £2.91m producing a net positive cash balance of £0.6m, despite drawing down a £2.5m debt facility to fund the acquisition of BOX Telematics.

Like for like sales overall were 14% higher and were supplemented by five months of trading from BOX Telematics.

Trakm8 Limited has continued to enjoy 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 on a like for like basis.

Overall, the very strong levels of engineering service work in the final months of the year resulted in a net profit before exceptional costs of £0.83m. This was better than the level expected at the time of the acquisition and compares favourably to last year's result of £0.04m.

BOARD CHANGES

During the year, we were also delighted to welcome Keith Evans as the new Independent Non-Executive Director. He has brought a wealth of business experience and expertise to the Board. At the same time, in July 2013, Dawson Buck stepped down as Non-Executive Chairman and a Director of the Company and the Board thanks him for his contribution.

OPERATIONAL REVIEW

The Group revenues are accounted for in four segments:

1. Products: This is the segment where Trakm8 supplies other Telematics Service Providers with hardware devices.

The development of the T10 family of products is a significant step forward for the Group. It is manufactured in our own facilities at much lower costs than its predecessors. The range has been expanded to include self-fit devices and simple security vehicle tracking units.

Product sales were 94% higher with a contribution from BOX broadening the customer base and increasing the total sales in the segment. The largest revenue generator in this segment is the JCB Live Link telematics device.

EXECUTIVE CHAIRMAN'S STATEMENT (continued)

2. Solutions: This segment is where Trakm8 supplies customers with a fully integrated service provision. Customers include the AA, Eon and Jewson. These solutions are also provided through a partner in South Africa.

The acquisition of BOX Telematics broadened the range of customers and units reporting to our servers. BOX's major route to market is via a dealer network. Trakm8 mostly sells directly to fleets. As a result, the combined business has approximately 60,000 units reporting to the servers. The recurring revenues now amount to an annualised £4.55m. This represents an increase of 111% over the previous year-end.

During the year the Company enhanced the engineering investments in new solutions and launched updated versions of Swift and ecoN. We created comparable solutions for BOX to roll out to their client base.

We also launched a sales and applications engineering team out of our office in Prague. This operation has secured several customers and we expect it to be self-funding by the end of the next financial year, following initial start-up costs.

The major new development for the Group were the contracts awarded by Direct Line Group and these were notified to the market on 13 January 2014 and on 2 May 2014. This customer is taking a number of services and products from Trakm8 which will provide a solid recurring revenue stream. Trakm8 is supplying Direct Line Group hardware based on their next generation telematics device and the first of a new family of products called T10. The T10 Micro is a fully functional telematics tracking device with CANbus communications. The self-install device will be fitted by Direct Line Group customers to the vehicle diagnostic socket and is probably the smallest such unit available today. In addition, the technology developed for this contract will have a wide range of applications with other customers and new markets.

We have established a wide number of new customer opportunities with trials taking place. We expect that these will be earnings enhancing for the Group in 2014/15.

The Solutions segment is the core value enhancing activity of the Group and its revenues increased by 60% to a total of £4.85m. This now represents 53% of Group revenues.

3. Engineering Services: In this segment 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. These in turn help to improve our core products.

The major projects this year were associated with Direct Line Group. Significant projects were also undertaken for St Gobain, the AA and several others.

These engineering projects are profitable consultancy activities in themselves, help to integrate customers to Trakm8 solutions, and provide on-going support and maintenance revenues. As such this segment remains a core competence and key business strategy.

Engineering Services increased revenues by 130% over the previous year to £0.93m (2013: £0.41m.)

4. Manufacturing Services: This segment is where Trakm8 undertakes design and manufacturing of electronic assemblies for third party customers in the BOX Telematics facilities acquired during the year. This segment adds value by fully utilising the manufacturing investments and assists in securing the best possible supply chain for the Trakm8 products. Revenues in this segment amounted to £0.87m representing 9% of Group sales.

The fire monitoring product contract announced on 20 March 2013 was the highlight of the year, although it will not benefit revenues until 2014/15.

EXECUTIVE CHAIRMAN'S STATEMENT (continued)

OUTLOOK

The Board is confident that our investments in acquisitions, new products and additional sales resources will benefit the new financial year and beyond.

The full year impact of BOX, recent contracts secured, along with the new products and solutions we have announced earlier this year will provide significant growth in revenues in the current financial year. After the first two months of trading our revenues are ahead of last year.

We continue to maintain a strong Statement of Financial Position, good cash generation and robust business model which allows the Group to assess opportunities which augment growth through selective acquisitions alongside our current organic growth strategy. Any acquisition being considered will need to meet our clearly defined market segment objectives and financial criteria.

Lastly, I would like to thank all the Trakm8 staff for their exceptional commitment and hard work in order to accomplish the significant progress made over the past twelve months.

John Watkins
EXECUTIVE CHAIRMAN

STRATEGIC REPORT

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

Trakm8 Holdings PLC and its subsidiaries ("the Group") design, manufacture and sell fleet management solutions and associated hardware components. These solutions are used in a wide variety of applications from heavy duty commercial vehicles to light CVs, cars, earth moving equipment and a number of niche applications such a golf carts and industrial cleaning machines.

The solutions provide data for customers to more effectively use their vehicles by reducing journey times, reducing fuel consumption and accidents, improving utilisation and serviceability, expense tracking, and integration into customers ERP systems.

The market for these solutions is growing as the cost of providing these solutions reduces and the benefit of the data is becoming more valuable.

The competition is also growing and there remains pricing pressure being mitigated by the increased functionality of the solutions. The market remains largely fragmented although consolidation is occurring, particularly driven by interest in the space from VCs.

The Group is playing its part of this consolidation as demonstrated by the acquisition of BOX Telematics Limited in 2013.

Strong organic growth and the supplemented BOX installed base has grown the installed base of units reporting to our servers with recurring revenues now accounting for 37% of our total turnover.

STRATEGY

The Group strategy is to continue to provide M2M products and services that grow the installed base of connections with service revenues, thus ensuring predictable revenues and cash flows.

We will continue to increase our focus on utilisation of the accumulating server data to create the algorithms that will improve the fuel economy scoring and the driver insurance risk calculations. Trakm8 installed vehicles cover over a billion miles each year. This data along with the statistical analysis now available with latest computing techniques will drive the next stages of improved returns on investment in the technology.

Trakm8 will also utilise its extensive vehicle electrical knowledge to drive vehicle service algorithms to reduce breakdowns, improve serviceability and reduce cost of ownership.

Trakm8 will provide hardware, software solutions and manufacturing services on a stand-alone basis to third parties so long as they are part of Trakm8's core offerings.

ORGANIC GROWTH

The Group will continue to drive organic growth through widening the customer base, increasing the range of solutions offered and broadening the geographic coverage. With every size of the vehicle park now addressed from the smallest fleets to the largest, from passenger cars to heavy duty trucks and industrial equipment, Trakm8 has a sales channel and product suitable for all.

Trakm8 will continue to invest heavily in engineering new products and solutions to ensure that these are market leading.

Increased international business development activities will expand the geographic footprint.

ACQUISITIONS

The Group will continue to seek acquisitions that will complement the organic growth strategies we have. These will be businesses in the M2M and Big Data space, where we can drive value for the shareholders and enhance the range of markets and services we address.

STRATEGIC REPORT (continued)

ENVIRONMENTAL

The Group provides products and services that are targeted at reducing the consumption of the world's natural resources. As a Group we also strive to ensure that we minimise the use of these resources ourselves.

Trakm8 has secured accreditation to ISO 14001 as part of its commitment to best practice on Environmental matters.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group are set out in the Directors' Report. The key risk is that the Group operates in the technological industry which has a history of continuous technological enhancements and unforeseen advances may lead to a lack of competitiveness.

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 £429,219 compared to last year's operating profit of £39,577. The improvement stemmed from increased profitability at Trakm8 and the five months results at Box Telematics Limited.

2. Borrowings: The Group monitors its cash and borrowings position and updates cash flow forecasts for the following twelve months on a daily basis. Total cash resources at the year end were £2,910,786. During the year total borrowings increased from £163,083 to £2,291,667 at the year end. The increased borrowings were as a result of financing the acquisition of Box Telematics Limited.

3. Customer services: The Group continues to analyse its customer support to ensure a high quality of service is maintained.

EMPLOYEE MATTERS

The Group recognises that the employees are the key asset of the business. The Board of Directors has employee satisfaction monitoring processes and has succession planning in place. There are company-wide communication activities both in person and via the Group intranet. The Company provides competitive compensation plans and has a scheme whereby the staff share in the success of the Group.

Trakm8 secured accreditation to ISO 18001 as part of its commitment to best practice on the management of Health and Safety.

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.

John Watkins
EXECUTIVE CHAIRMAN

DIRECTORS' REPORT

The Directors submit their Directors' Report and financial statements of Trakm8 Holdings PLC for the year ended 31 March 2014.

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.

PRINCIPAL RISKS AND UNCERTAINTIES

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

People risk: The people are the principle asset of the Group. The retention of the people is monitored and satisfaction of the staff measured. Competitive compensation packages are provided and all staff share in the success of the Group.

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.

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.

RESULTS AND DIVIDENDS

The Group results for the year ended 31 March 2014 are shown in the Consolidated Statement of Comprehensive Income on page 17. The Directors do not recommend the payment of a dividend.

RESEARCH AND DEVELOPMENT

The Group has continued to invest in research and development to ensure the future 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.

FUTURE DEVELOPMENTS

Full consideration on the future developments and exciting prospects of the Group, has been taken in the Executive Chairman's Statement.

DIRECTORS

The following Directors have held office during the year:

J Watkins
J Hedges
M Cowley
T Cowley
P Wilson
K Evans (Appointed 1st July 2013)
C D Buck (Resigned 1st July 2013)

DIRECTORS' REPORT (continued)

DIRECTORS AND THEIR INTERESTS

The present members of the Board are as listed on page 48. The Directors' interests in the shares of the Company are detailed below:-

	1p Ordinary shares at 31 March 2014	% of issued Ordinary share capital (28,873,821 Ordinary shares)	1p Ordinary shares at 1 Apr 2013 or on subsequent date of appointment	% of issued Ordinary share capital (18,764,731 Ordinary shares)
C D Buck[1]	-	-	641,994	3.37%
M Cowley	1,540,357	5.33%	1,269,203	6.66%
T Cowley	1,897,638	6.57%	1,534,002	8.05%
J Hedges	2,152,626	7.46%	1,470,808	7.72%
J Watkins	6,399,344	22.16%	4,581,162	24.05%
P Wilson	691,876	2.40%	555,512	2.86%

[1] Resigned 1 July 2013

The Directors had no interest in the share capital of the Company's subsidiary undertakings at 31 March 2014 or on the date on which these financial statements were approved.

DIRECTORS REMUNERATION

The Directors' remuneration for the year ended 31 March 2014 was:

	Salaries & Fees £	Bonuses £	Benefits £	Pension Contributions £	Share Options £	**Total 31 March 2014 £**	**Total 31 March 2013 £**
C D Buck[1]	17,500	-	-	-	-	17,500	35,748
K Evans[2]	18,750	-	-	-	-	18,750	-
M Cowley	84,000	866	5,875	-	5,128	95,869	87,642
T Cowley	84,000	866	5,875	-	5,128	95,869	90,859
J Hedges	83,160	866	6,058	898	6,281	97,263	91,795
J Watkins	144,000	1,484	21,811	-	9,679	176,974	124,562
P Wilson	75,050	814	10,277	1,062	678	87,881	87,862
Total	506,460	4,896	49,896	1,960	26,894	590,106	518,468

[1] Resigned 1 July 2013
[2] Appointed 1 July 2013

DIRECTORS' REPORT (continued)

DIRECTORS' SHARE OPTIONS

At 31 March 2014 the following options had been granted to the Company's Directors and remain current and unexercised:

	Option Exercise Price	Balance as at 31 March 2013	Granted During Year	Exercised During Year	Expired/ Forfeited During Year	Balance as at 31 March 2014	Expiry Date
M Cowley	£0.130	150,000	-	-	-	150,000	30/07/22
	£0.445	-	125,000	-	-	125,000	21/01/24
T Cowley	£0.130	150,000	-	-	-	150,000	30/07/22
	£0.445	-	125,000	-	-	125,000	21/01/24
J Hedges	£0.130	200,000	-	-	-	200,000	30/07/22
	£0.445	-	125,000	-	-	125,000	21/01/24
J Watkins	£0.130	275,000	-	-	-	275,000	30/07/22
	£0.445	-	250,000	-	-	250,000	21/01/24
P Wilson	£0.130	150,000	-	-	-	150,000	30/07/22
	£0.445	-	50,000	-	-	50,000	21/01/24

All share options were issued at the open market price on the day the options were granted.

The Group provides indemnity cover for the Directors.

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 3 July 2014.

J Hedges
SECRETARY

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report, 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 Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 for the year ending 31st March 2014 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic Report and the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2014 and of the Group's profit and the Group cash flows 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.

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

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and 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 explanations we require for our audit.

Nigel Fry (SENIOR STATUTORY AUDITOR)
For and on behalf of Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Winchester House, Deane Gate Avenue,
Taunton TA1 2UH

3 July 2014

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2014

	Notes	2014 £	2013 £
REVENUE	6	9,193,073	4,749,916
Cost of sales		(3,931,987)	(1,332,833)
Gross profit		5,261,086	3,417,083
Administrative expenses before exceptional costs		(4,398,516)	(3,377,506)
OPERATING PROFIT before exceptional costs	7	862,570	39,577
Exceptional costs	8	(433,351)	-
OPERATING PROFIT		429,219	39,577
Finance income		2,618	2,423
		431,837	42,000
Finance costs	9	(35,314)	(4,478)
PROFIT BEFORE TAXATION		396,523	37,522
Income tax	10	74,955	112,537
PROFIT FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE PARENT		471,478	150,059
OTHER COMPREHENSIVE INCOME Currency translation differences		(3,150)	(1,615)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		**468,328**	**148,444**

EARNINGS PER ORDINARY SHARE (PENCE) ATTRIBUTABLE TO OWNERS OF THE PARENT		2014	2013
Basic	12	2.01p	0.79p
Diluted	12	1.90p	0.78p

There were no discontinued operations in 2014 or 2013. Accordingly the results relate to continuing operations.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 31 March 2014

	Share Capital £	Share Premium £	Merger Reserve £	Translation Reserve £	Retained Earnings £	Total Equity Attributable to Owners of the Parent £
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	-	-	(38,268)	(5,268)
BALANCE AS AT 1 APRIL 2013	194,147	1,751,152	509,837	203,213	(135,340)	2,523,009
Comprehensive income						
Profit for the year	-	-	-	-	471,478	471,478
Other comprehensive income						
Exchange differences on translation of overseas operations	-	-	-	(3,150)	-	(3,150)
Total comprehensive income	-	-	-	(3,150)	471,478	468,328
Transactions with owners						
Shares issued	94,591	1,981,909	-	-	-	2,076,500
Share placing fees	-	(91,500)	-	-	-	(91,500)
Sale of own shares	-	-	-	-	101,750	101,750
IFRS2 Share based payments	-	-	-	-	53,989	53,989
Transactions with owners	94,591	1,890,409	-	-	155,739	2,140,739
BALANCE AS AT 31 MARCH 2014	288,738	3,641,561	509,837	200,063	491,877	5,132,076

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 March 2014

	Notes	2014 £	2013 £
NON CURRENT ASSETS			
Intangible assets	13	3,249,408	868,530
Property and equipment	14	1,157,222	560,175
Deferred income tax asset	17	753,134	110,290
		5,159,764	1,538,995
CURRENT ASSETS			
Inventories	15	1,280,609	548,143
Trade and other receivables	16	3,269,643	643,172
Current tax assets	10	-	100,668
Cash and cash equivalents		2,910,786	1,405,133
		7,461,038	2,697,116
CURRENT LIABILITIES			
Trade and other payables	18	(5,035,873)	(1,532,349)
Borrowings	19	(499,992)	(46,740)
		(5,535,865)	(1,579,089)
CURRENT ASSETS LESS CURRENT LIABILITIES		1,925,173	1,118,027
TOTAL ASSETS LESS CURRENT LIABILITIES		7,084,937	2,657,022
NON CURRENT LIABILITIES			
Borrowings	19	(1,791,675)	(116,343)
Provisions	20	(161,186)	(17,670)
NET ASSETS		5,132,076	2,523,009
EQUITY			
Share capital	23	288,738	194,147
Share premium account		3,641,561	1,751,152
Merger reserve account		509,837	509,837
Translation reserve		200,063	203,213
Retained earnings		491,877	(135,340)
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		5,132,076	2,523,009

These financial statements were approved by the Board of Directors and authorised for issue on 3 July 2014 and are signed on their behalf by:

J Watkins
DIRECTOR

J Hedges
DIRECTOR

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 March 2014

	Notes	2014 £	2013 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	25	1,324,328	496,650
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiary undertaking (net of cash acquired)		(2,991,500)	-
Purchases of property, plant and equipment		(302,510)	(97,834)
Proceeds from sale of plant and equipment		10,000	-
NET CASH USED IN INVESTING ACTIVITIES		(3,284,010)	(97,834)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of new shares		1,985,000	33,000
New Bank loan		2,500,000	-
Sale / (Purchase) of Treasury shares		101,750	(57,924)
Repayment of obligations under hire purchase agreements		(25,000)	(35,125)
Repayment of loans		(1,096,416)	(21,108)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES		3,465,334	(81,157)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,505,652	317,659
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,405,133	1,087,474
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,910,785	1,405,133

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014

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 office 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 2014 (continued)

4. ACCOUNTING POLICIES (continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in 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 Statement of Financial Position 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 the 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 Statement of Cash Flows, 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 as 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 2014 (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. The remaining amortisation period is 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 costs 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 Statement of Financial Position 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.

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 Statement of Financial Position 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 Statement of Financial Position 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 Statement of Financial Position 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 Statement of Financial Position 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 Statement of Financial Position 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 in the foreseeable future.

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.

Exceptional items

Exceptional items are those items that, in the Directors' view, are required to be separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014 (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 2014.

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.

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 a 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 Statement of Financial Position 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. 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 receivables
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 receivables in the future.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Recoverability of deferred tax asset

During the year, management have reconsidered the recoverability of the deferred tax asset. The projections demonstrate that the deferred tax asset will be utilised in the foreseeable future. Assumptions have been made on the number of years over which the tax losses 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.

Fair value adjustments

On the date of acquisition, management have fair valued the assets and liabilities of Box Telematics Limited to ensure they are consolidated at the correct amount. Management have used judgement in calculating the fair values using their knowledge of the Company and its surroundings. The assumptions made are anticipated to give a true and fair view on the date of acquisition.

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 engineering, professional services and mapping solutions.

The Board review the revenue results and gross margin by segment. 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 2014	Products £	Solutions £	Engineering Services £	Manufacturing Services £	Unallocated £	Total £
Segment revenue	2,540,153	4,851,121	933,745	868,054	-	9,193,073
Gross profit	596,347	3,648,624	917,488	98,627	-	5,261,086
Depreciation & amortisation	(76,136)	(137,530)	(97,290)	(10,219)	-	(321,175)
Finance income	-	-	-	-	2,618	2,618
Finance costs	-	-	-	-	(35,314)	(35,314)
Income tax	-	-	-	-	74,955	74,955

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014 (continued)

6. SEGMENTAL ANALYSIS (continued)

Year Ended 31 March 2013	Products £	Solutions £	Engineering Services £	Manufacturing 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	(117,115)	(64,884)	(89,830)	-	-	(271,829)
Finance income	-	-	-	-	2,423	2,423
Finance costs	-	-	-	-	(4,478)	(4,478)
Income tax	-	-	-	-	112,537	112,537

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 2014	Products £	Solutions £	Engineering Services £	Manufacturing Services £	Total £
United Kingdom	1,850,118	4,751,319	832,532	840,974	8,274,943
Europe	12,384	85,612	9,263	27,080	134,339
Africa	4,200	-	90,000	-	94,200
Rest of the World	673,451	14,190	1,950	-	689,591
	2,540,153	4,851,121	933,745	868,054	9,193,073

The Group had one customer who accounted for more than 10% of the Group revenue (2013: one). Total revenue was £1,550,132 and has been included in the products segment.

Year Ended 31 March 2013	Products £	Solutions £	Engineering Services £	Manufacturing 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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014 (continued)

7. PROFIT FROM OPERATIONS

	2014 £	2013 £
Profit from operations is stated after charging:		
Loss on disposal of fixed assets	-	2,633
Depreciation - owned fixed assets	102,300	33,560
- assets on hire purchase	16,667	18,417
Amortisation of intangible assets	202,208	219,852
Operating lease rentals - Land and buildings	47,411	17,729
- Other	105,781	76,187
Loss on foreign exchange transactions	13.373	6,936
Staff costs (note 11)	2,892,974	1,945,388

	2014 £	2013 £
Auditor's remuneration		
- audit services		
- Parent Company and consolidation	8,760	4,825
- Subsidiary audits	26,475	11,250
- tax advisory services	3,900	2,340

8. EXCEPTIONAL COSTS

	2014 £	2013 £
Costs incurred on acquisition of Box Telematics Limited	365,512	-
Integration costs	67,839	-
	433,351	-

The amount of £365,512 is in respect of costs incurred in the year as a result of the acquisition of Box Telematics Limited.

The integration costs related to the reorganisation of management following the acquisition of Box Telematics Limited.

9. FINANCE COSTS

	2014 £	2013 £
Interest on bank loans	35,314	4,478

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014 (continued)

10. INCOME TAX

	2014 £	2013 £
R&D tax credit	-	(100,668)
Adjustment for previous R&D tax credit	(10,853)	-
Recognition of deferred tax movement	(64,102)	(11,869)
Income tax credit	(74,955)	(112,537)

Factors affecting the tax charge

The tax assessed for the year is lower (2013: lower) than the applicable rate of corporation tax in the UK. The difference is explained below:

	2014 £	2013 £
Profit before tax	396,523	37,522
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013: 24%)	79,305	9,005
Effects of:		
Expenses not deductible/income not taxable	84,078	1,687
Capital allowances in excess of depreciation	20,587	18,307
R&D relief enhanced deduction	(262,392)	-
Deferred tax brought forward adjustment	(16,343)	(40,868)
Other deferred tax movement	(163)	-
Utilisation of tax losses not recognised as a deferred tax asset	30,826	-
R&D tax credit	(10,853)	(100,668)
Total tax	(74,955)	(112,537)

11. EMPLOYEES

	2014 No.	2013 No.
The average monthly number of persons (including Directors) employed by the Group was:		
Research and development	27	18
Selling and distribution	30	24
Production	24	1
Administration	14	10
	95	53

11. EMPLOYEES (continued)

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

	2014 £	2013 £
Wages and salaries	2,488,392	1,707,001
Social security costs	337,757	218,731
Share based payments	53,989	19,656
Pension contributions	12,836	-
	2,892,974	1,945,388

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

	2014 £	2013 £
Wages and salaries	511,356	466,483
Social security costs	51,856	37,408
Share base payments	62,732	53,525
Pension contributions	26,894	14,577
	652,838	571,993

Further details of Directors' fees and salaries, bonuses and pensions are given in the Directors' Report on page 12.

12. EARNINGS PER ORDINARY SHARE

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

	2014 £	2013 £
Earnings for the year after taxation	471,478	150,059

	No.	No.
Number of Ordinary shares of 1p each	28,873,821	19,044,731
Basic weighted average number of Ordinary shares of 1p each	23,476,997	18,999,526
Basic weighted average number of Ordinary shares of 1p each (diluted)	24,767,077	19,208,565
Earnings per share	2.01p	0.79p
Adjusted earnings per share (pre exceptional costs)	3.48p	0.79p
Diluted earnings per share	1.90p	0.78p

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014 (continued)

13. INTANGIBLE ASSETS

	Goodwill £	Intellectual Property £	Development Costs £	Total £
COST				
As at 1 April 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
Additions	1,979,114	-	614,551	2,593,665
Reduction in acquisition cost	-	(10,579)	-	(10,579)
As at 31 March 2014	1,979,114	1,620,184	1,316,677	4,915,975
AMORTISATION				
As at 1 April 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
Charge for year	-	150,661	51,547	202,208
As at 31 March 2014	-	1,150,176	516,391	1,666,567
NET BOOK VALUE				
As at 31 March 2014	1,979,114	470,008	800,286	3,249,408
As at 31 March 2013	-	631,248	237,282	868,530
As at 1 April 2012	-	827,222	177,885	1,005,107

Goodwill arose in relation to the Group's acquisition of Box Telematics Limited on 25 October 2013.

Development costs have been internally generated. Amortisation expenses of £202,208 (2013: £219,852) have been charged to Administrative expenses in the Consolidated Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014 (continued)

14. PROPERTY & EQUIPMENT

	Freehold Property £	Furniture, Fixtures and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
COST					
As at 1 April 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
Additions	86,784	156,702	59,024	-	302,510
Acquisition of Box Telematics	-	380,145	34,083	9,793	424,021
Exchange differences	-	(544)	(558)	-	(1,102)
Disposals	-	(10,000)	-	-	(10,000)
As at 31 March 2014	507,684	673,635	314,281	9,793	1,505,393
DEPRECIATION					
As at 1 April 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
Charge for year	4,460	63,452	49,373	1,682	118,967
Exchange differences	-	(27)	(558)	-	(585)
Disposals	-	-	-	-	-
As at 31 March 2014	35,327	105,301	205,861	1,682	348,171
NET BOOK VALUE					
As at 31 March 2014	472,357	568,334	108,420	8,111	1,157,222
As at 31 March 2013	390,033	105,456	64,686	-	560,175
As at 1 April 2012	393,552	41,745	81,821	-	517,118

Included within freehold property is £284,585 (2013: £199,585) relating to land which is not depreciated.

Total depreciation expenses of £118,967 (2013: £51,977) have been charged to Administrative expenses in the Consolidated Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014 (continued)

15. INVENTORIES

	2014 £	2013 £
Finished goods and goods for resale	1,280,609	548,143

The cost of inventories recognised as an expense and included in cost of sales amounted to £3,459,102 (2013: £1,332,833). During the year old inventory lines totalling £8,205 (2013: £35,000) were written down and charged to cost of sales in the Consolidated Statement of Comprehensive income.

16. TRADE AND OTHER RECEIVABLES

	2014 £	2013 £
Trade receivables	2,537,339	543,390
Other receivables	276,333	-
Prepayments	455,971	99,782
	3,269,643	643,172

The analysis of trade receivables by currency is as follows:

	2014 £	2013 £
Pound sterling	2,534,081	519,433
Euro	3,258	23,957
	2,537,339	543,390

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 £109,065 (2013: nil).

As at 31 March 2014 trade receivables of £654,023 were past due but not impaired. The ageing analysis of these trade receivables is as follows:-

	2014 £	2013 £
Up to 3 months	588,368	187,806
3 to 6 months	65,655	4,371
	654,023	192,177

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.

17. DEFERRED TAX

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

	2014 £	2013 £
DEFERRED TAX ASSET		
Deferred tax asset to be recovered after more than 12 months	770,830	128,149
DEFERRED TAX LIABILITY		
Deferred tax liability to be repaid after more than 12 months	(17,696)	(17,859)
Deferred tax asset net	753,134	110,290

In addition to the deferred tax asset shown above, the Group has trading losses of £3,362,507 not recognised as a deferred tax asset because recovery is not expected in the near future.

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

	Building Revaluation £
DEFERRED TAX LIABILITIES	
As at 1 April 2012	(18,022)
Credited to the Statement of Comprehensive Income	163
At 31 March 2013	(17,859)
Credited to the Statement of Comprehensive Income	163
At 31 March 2014	(17,696)

18. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2014 £	2013 £
Trade payables	2,190,908	684,417
Taxation and social security	681,271	146,277
Other payables	221,954	14,400
Accruals and deferred income	1,941,740	687,255
	5,035,873	1,532,349

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014 (continued)

19. BORROWINGS

	2014 £	2013 £
Bank loan	2,291,667	138,083
Obligations under finance leases and hire purchase arrangements (see note 21)	-	25,000
	2,291,667	163,083
On demand or within one year	499,992	46,740
After one and within two years	499,992	22,402
After two and within five years	1,291,683	71,377
After five years	-	22,564
	2,291,667	163,083
Less: Amount due for settlement within one year (shown as current liabilities)	(499,992)	(46,740)
Amount due for settlement after more than one year	1,791,675	116,343

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 2016 and bears interest at a floating rate of 2.75% over LIBOR.

20 PROVISIONS

	2014 £	2013 £
As at 1 April 2013	17,670	66,178
Increase /(Decrease) during the year	143,516	(48,508)
At 31 March 2014	161,186	17,670

The provision related to the potential warranty claims that may come into fruition in the near future. The increase relates to products sold in the period that were potentially defective.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014 (continued)

21. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2014 £	2013 £
Gross hire purchase liabilities – minimum payments:		
No later than one year	-	25,000
Later than one year and no later than five years	-	-
	-	25,000
Less future finance charges	-	-
Present value	-	25,000

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

	2014 £	2013 £
No later than one year	-	25,000
Later than one year and no later than five years	-	-
	-	25,000

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 2014 (continued)

22 ACQUISITION

On 25 October 2013 the Company acquired the entire share capital of Box Telematics Limited for a total consideration of £4,220,000. Box is a vehicle telematics business providing fleet management systems and in-house telematics design services. In addition it has a contract electronic manufacturing facility. The business was acquired to provide an enlarged installed base of solution services and for Trakm8 to benefit from the use of Box's manufacturing and assembly facilities.

The assets and liabilities as at 25 October 2013 arising from the acquisition were as follows:-

	Book Value £	Fair Value £
Property, plant and equipment	576,717	424,022
Deferred tax asset	1,252,192	578,741
Inventories	931,424	983,160
Trade and other receivables	1,643,311	1,585,341
Cash and cash equivalents	1,228,500	1,228,500
Trade and other payables	(1,763,707)	(1,808,040)
Directors' loan account	(750,838)	(750,838)
Net assets acquired	3,117,599	2,240,886
Goodwill		1,979,114
Total consideration		4,220,000
Satisfied by:		
Cash		4,220,000

From the date of acquisition to 31 March 2014 Box Telematics Limited contributed revenue of £3,815,129 and profit of £571,639. If the acquisition had occurred on 1 April 2013 Box Telematics Limited would have contributed a further £4,763,958 to revenue and £332,771 to profit before exceptional costs for the period to 24 October 2013.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014 (continued)

23 SHARE CAPITAL

	No's '000's	2014 £	No's '000's	2013 £
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	28,874	288,738	19,414	194,147

Movement in share capital:

	2014 £	2013 £
As at 1 April 2013	194,147	187,647
New shares issued	94,591	5,500
As at 31 March 2014	288,738	193,147

The Company currently holds 150,000 Ordinary shares in treasury representing 0.5% 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 28,723,821.

24 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 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. No performance conditions were included in the fair value calculations.

Option Exercise Price	Grant Date	Option & Expected Life (years)	Risk Free Rate of Return	Volatility
15.50p	30/04/10	3.0	3.02%	54.0%
12.50p	31/07/11	3.0	3.02%	54.0%
13.00p	30/07/12	10.0	3.02%	54.0%
19.50p	24/04/13	10.0	3.02%	57.5%
17.00p	25/07/13	10.0	3.02%	57.5%
44.50p	21/01/14	10.0	3.02%	57.5%
45.25p	27/01/14	10.0	3.02%	57.5%

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2014 (continued)

24 SHARE-BASED PAYMENTS (continued)

The risk free rate of return is the yield on government gilt market price. The volatility has been based on historic share prices and the dividend yield has been assumed to be £nil for all schemes.

A reconciliation of option movements over the year to 31 March 2014 is shown below;

Option Exercise Price	Balance as at 31 March 2013	Granted During Year	Exercised During Year	Expired/ Forfeited During the Year	Balance as at 31 March 2014
15.50p	300,000	-	-	(300,000)	-
12.50p	100,000	-	-	-	100,000
13.00p	1,225,000	-	(50,000)	-	1,175,000
19.50p	-	400,000	-	-	400,000
17.00p	-	200,000	-	-	200,000
44.50p	-	625,000	-	-	625,000
45.25p	-	125,000	-	-	125,000

The share price was 35.50p (2013: 13.50p) on 11 December 2013 being the date of exercise of the above 50,000 options. The weighted average option price at 31 March 2014 was 23.31p (2013: 13.43p). The weighted average contract life of the options outstanding at 31 March 2014 was 104 months (2013: 86 months).

The Group charged £53,989 to the Statement of Comprehensive Income in respect of Share-Based Payments for the financial year ended 31 March 2014 (2013: £19,659).

Share options exercisable at the 31 March 2014 were 100,000 (2013: 400,000).

25 CASH FLOWS

	2014 £	2013 £
Reconciliation of profit before tax to net cash flow from operating activities:		
Profit before tax	396,523	37,522
Depreciation	118,967	54,610
Bank and other interest charges	32,696	2,055
Amortisation of intangible assets	202,208	219,852
Capitalised development costs	(614,551)	(126,375)
Share based payments	53,989	19,656
Operating cash flows before movement in working capital	189,832	207,320
Movement on retranslation of overseas operations	(2,634)	(1,446)
Movement in inventories	250,694	(138,127)
Movement in trade and other receivables	(1,041,130)	139,203
Movement in trade and other payables	1,848,741	276,267
Cash generated from operations	1,245,503	483,217
Interest paid	(35,314)	(4,478)
Interest received	2,618	2,423
Income taxes received	111,521	15,488
Net cash inflow from operating activities	1,324,328	496,650

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 Statement of Financial Position).

26 FINANCIAL COMMITMENTS

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

	2014 £	2013 £
OPERATING LEASES		
Land and buildings		
Within one year	86,362	17,729
In the second to fifth years inclusive	121,087	53,186
Other		
Within one year	107,967	86,898
In the second to fifth years inclusive	108,248	62,995

Land and buildings under operating leases represents two leases payable by the Group which have expiry dates of March 2016 and March 2017 respectively.

27. 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.

28. 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 cash reserves.

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 the 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 Statement of Financial Position. Total capital is calculated as "equity" as shown in the Consolidated Statement of Financial Position 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 2014 (continued)

28 FINANCIAL INSTRUMENTS (continued)

	2014 £	2013 £
Total borrowings (note 19)	2,291,667	163,083
Total equity	5,132,076	2,523,009
Total capital	7,423,743	2,686,092
Gearing ratio	31%	6%

At the year end the Group had total cash net of borrowings of £619,119 (2013: £1,242,050)

	Loans and Receivables 2014 £	Loans and Receivables 2013 £
FINANCIAL INSTRUMENTS BY CATEGORY		
Assets as per Statement of Financial Position		
Trade and other receivables excluding prepayments	2,813,672	644,058
Cash and cash equivalents	2,910,786	1,405,133
	5,724,458	2,049,191

	Financial Liabilities at Amortised Cost 2014 £	Financial Liabilities at Amortised Cost 2013 £
Liabilities as per Statement of Financial Position		
Borrowings (excluding finance lease liabilities)	2,291,667	138,083
Hire purchase	-	25,000
Trade and other payables excluding statutory liabilities	4,354,602	1,386,072
	6,646,269	1,549,155

PARENT COMPANY BALANCE SHEET
as at 31 March 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Investments	3	5,021,782	801,782
CURRENT ASSETS			
Debtors	4	964,235	150,005
Cash at bank		71,591	1,049,958
		1,035,826	1,199,963
CREDITORS: Amounts falling due within one year	5	(539,182)	(42,455)
NET CURRENT ASSETS		496,644	1,157,508
CREDITORS: Amounts falling due after more than one year	6	(1,791,675)	-
NET ASSETS		3,726,751	1,959,290
CAPITAL AND RESERVES			
Called up share capital	7	288,738	194,147
Share premium	8	3,641,561	1,751,152
Profit and loss account	8	(203,548)	13,991
SHAREHOLDERS' FUNDS		3,726,751	1,959,290

These financial statements were approved by the Directors and authorised for issue on 3 July 2014 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 2014

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 after tax for the year in the Company is £373,278 (2013: £9,829).

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS for the year ended 31 March 2014 (continued)

3. INVESTMENTS

	Subsidiaries £
Cost	
As at 1 April 2013	801,782
Acquisition of Box Telematics	4,220,000
At 31 March 2014	5,021,782

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.	Czech Republic	Ordinary	100%	Mapping services
Box Telematics Limited	England and Wales	Ordinary	100%	Manufacture and distribution of telematics
Interactive Projects Limited	England and Wales	Ordinary	100%	Dormant
Data Driven Telematics (formerly Purple Reality Limited)	England and Wales	Ordinary	100%	Dormant

4. DEBTORS

	2014 £	2013 £
Amounts due from subsidiary undertakings	938,053	149,633
Prepayments	26,182	372
	964,235	150,005

5. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Bank Loan	499,992	-
Trade creditors	10,253	22,115
Accruals and other creditors	28,937	20,340
	539,182	42,455

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS for the year ended 31 March 2014 (continued)

6. CREDITORS: Amounts falling due after more than one year

	2014 £	2013 £
Bank Loan	1,791,675	-

The Bank loan is repayable as follows:

	2014 £	2013 £
After one and within two years	499,992	-
After two and within five years	1,291,683	-
	1,791,675	-

7. SHARE CAPITAL

Details of share capital and share options are shown in notes 23 and 24 to the consolidated accounts above.

8. RESERVES

	Share Capital £	Share Premium £	Profit and Loss Reserve £	Total £
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)
At 1 April 2013	194,147	1,751,152	13,991	1,959,290
Shares issued	94,591	1,890,409	-	1,985,000
FRS20 Share based payments	-	-	53,989	53,989
Sale of own shares	-	-	101,750	101,750
Loss for the year	-	-	(373,278)	(373,278)
As at 31 March 2014	288,738	3,641,561	(203,548)	3,726,751

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS for the year ended 31 March 2014 (continued)

9. 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:

	2014 £	2013 £
OPERATING LEASES		
Motor Vehicles		
Within one year	4,536	4,464
In the second to fifth years inclusive	1,512	6,325

10. 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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T Cowley
K Evans
J Hedges
J Watkins
P Wilson

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