trakm8 You drive. We think

Annual Report & Financial Statements

for the year ended **31 March 2015**

Trakm8 Holdings PLC

Annual Report & Financial Statements For **Trakm8 Holdings PLC**

Contents

Highlights For Year End **31 March 2015**

Operating

- Significantly increased banking facilities agreed
- Major contracts secured with Marmalade and Saint-Gobain
- Successful integration of BOX Telematics Ltd and ongoing consolidation of their telematics systems with Trakm8's
- Encouraging order pipeline and sales opportunities

Current trading and post year end events

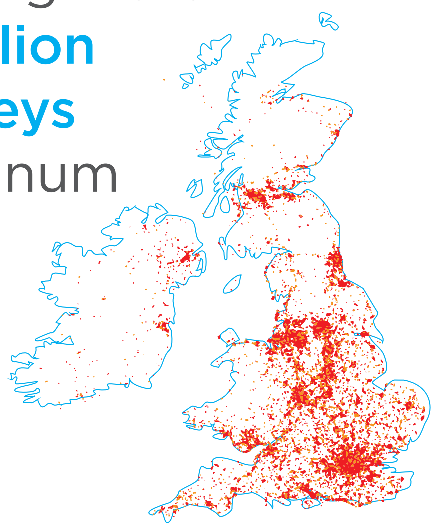
- Completion of £3.3m acquisition of the trade and assets of DCS Systems Ltd ("DCS")
- Strengthening of the Board with second independent non-executive appointed and two additional Board members
- Year to date revenues are ahead of last year and management now expect to modestly exceed previous market expectations for the year
- Continuing to secure significant customer contracts

Financial

- Results ahead of expectations
- Revenue up 95% at £17.9m (2014: £9.2m)
- Recurring revenues up by 65% to an annualised £7.5m (2014: £4.6m)
- Like for like orders received up 38% during the year
- Adjusted EBITDA* £2.60m (2014: £1.24m)
- Adjusted Profit before tax* £1.82m (2014: £0.88m)
- Profit before tax £1.70m (2014: £0.40m)
- Adjusted Earnings per share* 6.24p (2014: 4.08p)
- Strong cash position £3.4m
- Significant recurring revenue growth

*before exceptional costs and share based payments

Tracking More Than **45 Million Journeys** per annum



Revenue	EBITDA*	Net Profit*
£17.9m	£2.60m	£1.82m
(2014: £9.2m)	(2014: £1.24m)	(2014: £0.88m)

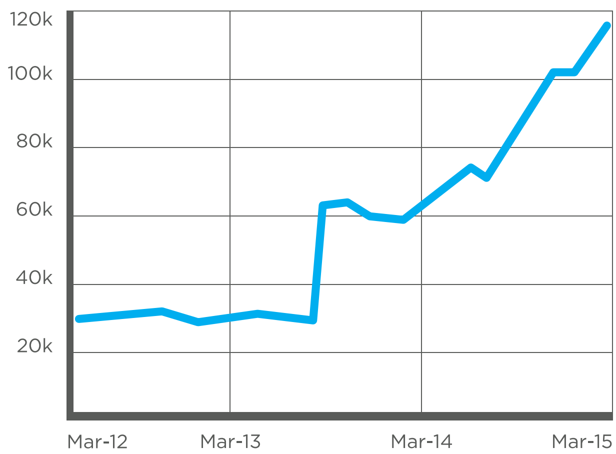
Cash	Net Assets
£3.4m	£7.0m
(2014: £1.32m)	(2014: £5.13m)

*before exceptional costs and share based payments

Strategic Overview

- Primarily focus on increasing the number of installed units
- To continue to own the full intellectual property in the value chain
- To build intelligence based services derived from data aggregation, including video data
- To sell both complete solutions to end users and elements of these to integrators
- To continue to seek complementary acquisitions that benefit organic growth

UK Installed Units



Monthly Recurring Revenue

as at 31 March

£179,157
2013

£377,953
2014

£624,883
2015

+65%

Operating Brands

trakm8 You drive. We think

BOX

Trakm8
Overview

Trakm8's operational activities are divided into two segments, Solutions and Products. The Group strategy remains to provide machine to machine ("M2M") solutions and products that grow the installed base of connections with service revenues, thus ensuring predictable revenues and cash flows.

Solutions

The Group owns the IP used to develop its solutions, and this ownership includes the whole supply chain process, including both the engineering and the manufacturing of the hardware from the Coleshill site.

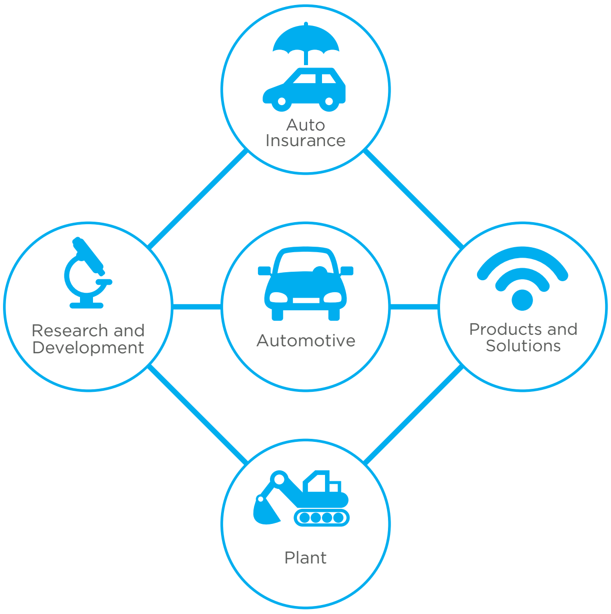
The solutions have been developed to cater for a variety of markets including Automotive, Plant, and Insurance, as well as the core Fleet Management. Whilst there are continual developments to the flagship SWIFT 6 software, the next financial year will see major development into the seventh generation which will continue to push the boundaries of vehicle tracking as well as the additional benefits of enhanced vehicle health monitoring and First Notification of Loss (FNOL).

It is from the ongoing development of these solutions based on our Fleet Management software that Trakm8 continues to grow its service fees, thus ensuring the predictable revenue as mentioned before.

Trakm8 Group's Engineering Services continue to support the business by tailoring the core solutions for corporate customers. Examples over the last 12 months include an extension to the Fleet Management system supplied to Saint Gobain, development of a bespoke logistics platform to new customer, Downtons, and enhancements to the Insurance Solution for Young Marmalade.

Products

The design and development of our telematics hardware units continues to be driven in house which enables Trakm8 to respond quickly to market demands. Customers are frequently invited to the facility to see where the solutions and products are developed, manufactured and shipped.



Trakm8 predominantly sells turnkey solutions to customers, but the Group also manufactures hardware for those who wish to integrate these goods into their own systems. The hardware is sold globally to customers across the commercial fleet and consumer telematics sectors.

There is ongoing work into the development of the expansion of the newer T10 range to replace the older generation of products, and this will bring all of the manufacturing of Trakm8 Group's telematics devices in house.

Next generation T10 hardware

The Manufacturing Services business acquired with the purchase of Box Telematics in October 2013 gives the Group complete control over the hardware offered to customers. In the FY2014/15 BOX manufactured over £1.8m worth of goods for Trakm8 customers.

In the Spring of 2015, the Group was awarded the Made in Britain accreditation marque which is now applied to many of its products, giving customers heightened trust in the manufacturing it offers.

Research and Development

The Group invests heavily into the development of both the next generation of solutions and additional lines to the portfolio. As part of this investment, there is an in house team of Big Data research scientists focussing on utilising mathematical data mining techniques (Big Data) to gain further insights into vehicle telematics data.

The scientists study information such as vehicle CANBus data and raw sensor information from the 2 billion miles worth of data the Group collects annually. It can then provide accurate indications of vehicle prognostics and diagnostics including crash analysis, battery health monitoring, state of health, prediction of vehicle failures and driver behaviour analysis. These all work together to develop the group's solutions for reducing insurance risk and improving driving efficiency.

The team has worked towards developing an accurate algorithm to identify a potential insurance loss event. This has included many months of development of a classifier that can determine between potholes and genuine accidents. Alongside this, the battery health monitoring algorithm has also been greatly enhanced, meaning Trakm8 can offer customers a solution that gives a higher prevention rate of roadside breakdowns due to battery failure.

Executive Chairman's **Statement**

John Watkins
Executive Chairman

Introduction

I am pleased to report on another excellent year for Trakm8 with our results being ahead of expectations. Our strategy of increasing the numbers of units reporting to our servers is proving very successful. Strong growth in installed units and the consequent service revenues has been at the core of significantly improved financial results.

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 and solutions are distributed by our Trakm8 and BOX brands into all market segments. The Group now has market leading Fleet Management solutions and has introduced the latest in Insurance risk, First Notification of Loss ("FNOL") and crash reconstruction software. The Group has also established market leading automotive vehicle diagnostic expertise for over-the-air vehicle condition monitoring and service predictions.

The strength of the Trakm8 financial model is that it delivers very strong cash generation. Our operating cash flow before movement in working capital for the year was £2.60m (2014: £0.80m), and the year-end cash balance was £3.4m.

Organic revenue growth at Trakm8 was 73% supplemented by a full 12 months of trading in BOX Telematics Ltd ("BOX").

The year saw significant investment by the Group in improving many elements of the operations of the businesses. Most of the internal activities were consolidated to minimise costs and maximise effectiveness. A major IT infrastructure investment improved our ERP, CRM and QA processes. A second new assembly line for electronic PCB assembly was purchased in anticipation of the higher levels of demand for our hardware devices.

Due to higher margins than anticipated when we issued our trading statement in April 2015 we have reported a slightly higher than expected pre tax profit of £1.7m and which compares to last year's result of £0.40m.

Board Changes and Post Year End Events

Following the year end we decided to strengthen the Board in line with the rapid growth of the Group. We were delighted to welcome Bill Duffy to the Board as the second Independent Non-Executive Director. Bill brings a wealth of experience and expertise. We also decided Sean Morris Group Engineering Director and Mark Watkins Group Operations Director should join the Board. These appointments are expected to enhance our corporate governance and ensure we have the management team to implement our growth plans and integrate acquisitions successfully.

We also announced that we have recently completed the acquisition of the trade and assets of DCS. This business trades predominantly as RoadHawk™ supplying camera systems into the vehicle market. The integration of camera technology into telematics based fleet and insurance solutions represent real opportunities for future growth.

Operational Review

Trakm8's core activity is the provision of integrated fleet management and insurance telematics based services. Trakm8 also undertakes bespoke development and integration of our data into the customer's own Management Information systems. Customers include Direct Line Insurance, the AA, E.ON and Saint-Gobain Group.

BOX was purchased in October 2013 and the business has been successfully integrated into the Trakm8 Group. Our Development, Customer services, Technical support and Finance teams have been combined for both companies and hardware and software platforms are largely consolidated.

Following the integration of BOX the Group now accounts for all its trading in the single integrated telematics technology segment. We continue to report the revenues in a number of streams.

Revenues at Trakm8 increased by 73% to £9.3m and this was supplemented by £8.6m of revenues from the full year contribution from BOX. In addition BOX supplied £1.8m of telematics devices to Trakm8. The Group gross margin percentage was 45.2% for the year (2014: 57.2%). This drop was due to the inclusion of a full year of BOX trading which has lower margin contract manufacturing revenues. In addition we have reanalysed sim costs to be part of our cost of sales. Adjusted Earnings before interest, tax, depreciation, amortisation and share based payments ("Adjusted EBITDA") increased to £2.6m (2014: £1.2m).

The success in both Fleet Management and Insurance solutions during the period has increased the numbers of units reporting to our servers to over 102,000. The recurring revenues amounted to an annualised £7.5m. This represents an increase of 65% over the previous year end. Significantly the March recurring revenue also exceeded the Group underlying overheads in the month for the first time in the Group's history.

Executive Chairman's Statement (continued)

We have broadened the customer base both in the UK and internationally. Significant contract wins with SAGA in Norway, Downton, Saint-Gobain and Marmalade were announced along with a wide range of smaller orders.

Sales of hardware as discrete devices were 12% lower at Trakm8 but were supplemented with £6.1m from a full 12 months trading at BOX. The largest revenue generator in this segment is the JCB Live Link telematics device. Sales of T10 hardware extended the number of clients buying telematics devices.

Improved manufacturing capacity and quality was introduced early in the financial year enabling a higher output to be achieved. As a result over 100,000 telematics devices were built during the period.

Whilst the sales of hardware to third party integrators helps 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.

During the year the Company significantly expanded its engineering resources including a new leadership team. It has delivered excellent product derivatives of the T10, Swift and Insurance solutions.

A significant part of our engineering effort is directed towards the use of the data we generate to create powerful algorithms for the prediction of risk, vehicle service requirements including battery status, and crash event identification (FNOL).

We have employed mathematicians to help us analyse our Big Data and we anticipate substantial benefits as we seek to monetise the value and analysis of this asset over the coming years. We believe that Trakm8 is establishing a market leading position in this field.

This, along with the emphasis we place on automotive expertise, gives us a unique capability when compared to our conventional competitors.

We have found that skills and features developed for the insurance sector once integrated into the fleet management solutions have expanded the customer base as a result.

We have also expanded our sales team to support the company's growing customer base. Particular focus has been given to build a senior corporate sales team focussing on major clients.

It is pleasing to report that our start-up sales activity in Prague is now self-funding and further expansion of the sales and support team is planned to grow revenues in the region.

At the time of our Interim Statement we announced we had a record number of opportunities in our sales pipeline and it was pleasing to bring a number of these to a positive conclusion. Most of these did not impact the results during the period significantly, but are expected to benefit the new financial year.

We have continued to build the sales pipeline and remain confident that many of these opportunities will also be secured over the next twelve months. We continue to have a large number of trials in progress.

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

A number of projects this year were associated with several customers in the UK, Europe and USA. The largest project was for the Direct Line Group

Outlook

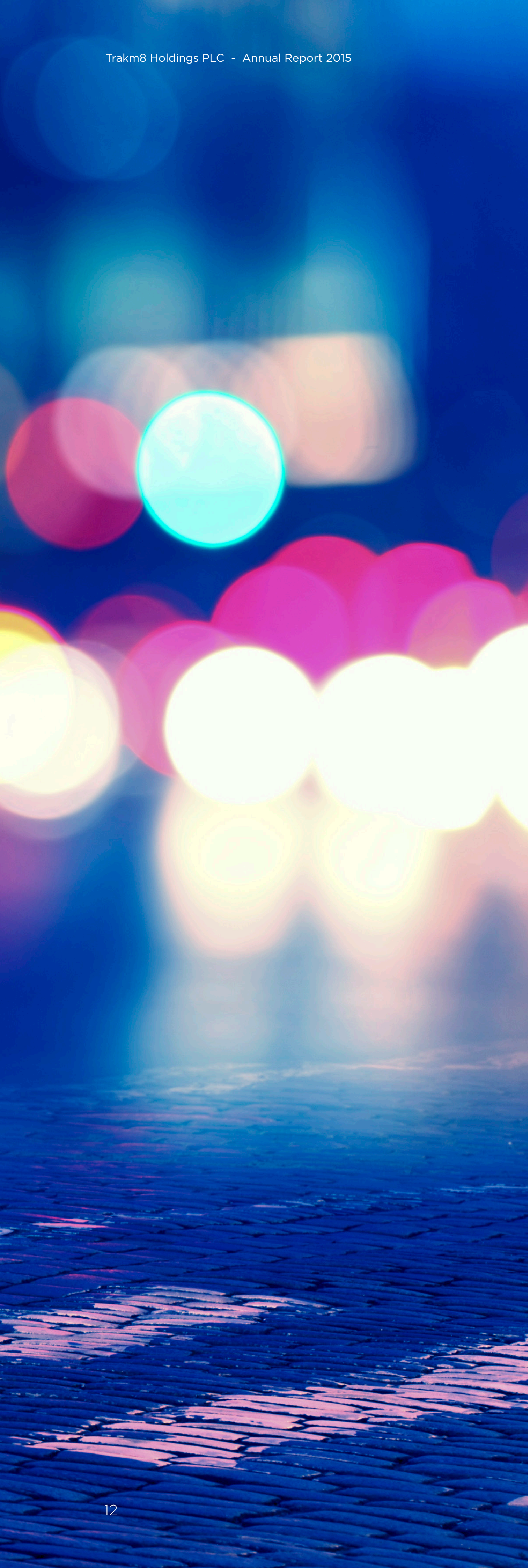
The Board is confident that our investments in acquisitions, operational efficiency improvements, engineering resources, new products and additional sales resources together with the benefit of new contract wins will positively impact the new financial year and beyond. Overall the first three months of trading are ahead of last year and we now expect to modestly exceed previous market expectations for the year ending 31 March 2016.

The acquisition of the trade and assets of DCS brings an associated product line, customer base and the established RoadHawk™ camera brand to Trakm8. We expect to develop the products, integrating them into our portfolio and to expand the customer base through the existing sales channels. DCS is expected to be an immediately earnings enhancing acquisition.

Although our primary strategy this year is to focus on maintaining strong organic growth and to maximise the potential of DCS, we continue to assess opportunities which augment growth through further selective acquisitions. Any acquisition being considered will need to meet our clearly defined market segment objectives and financial criteria. To that end we have agreed a £2m increase in our debt facility with HSBC bringing it to £5.7m, of which £3.7m has been drawn.

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**

The Directors present their Strategic Report on the Group for the year ended 31 March 2015.

Business Review and Principal Activities

Trakm8 Holdings PLC and its subsidiaries ("the Group") design, manufacture and sell fleet management and insurance 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 data is also used to identify driver profiles for risk prediction, trigger cash alerts, assist in crash reconstruction and to predict vehicle service requirements.

The market for these solutions is growing as the cost of providing them reduces and the benefit of the data is becoming more valuable. Indeed the scale of the opportunity and the rate of growth could be materially increased if the solutions' costs could be further significantly reduced.

However, 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 venture capital companies.

Trakm8 and BOX have consolidated most of the operational and finance functions. They share common engineering hardware and software solutions, only maintaining separate sales and marketing channels. As a result Trakm8 too has been playing a part in the consolidation process underway in this market.

The results for the year show a 95% increase in our revenues to £17.9m (2014: £9.2m) and an adjusted EBITDA of £2.60m (2014: £1.24m). 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 31% of our total turnover.

Statement of Financial Position

The Group has a strong balance sheet as at 31 March 2015 with net assets of £7.0m (2014: £5.1m). We continued our investment in the business with £0.36m spent on new plant and IT assets together with £0.86m on development costs enhancing our solutions for calculating insurance risk, First Notification of Loss, crash detection and vehicle diagnostic data.

Our cash balances at the year end were £3.4m (2014: £2.9m) and total bank borrowings were £2.8m (2014: £2.3m). During the year the Group repaid the outstanding Clydesdale loan of £2.0m with a new facility from HSBC comprising a £3m term loan repayable over 5 years plus a new 3 year £1m revolving credit facility which had not been drawn as at 31 March 2015.

Strategy

The Group strategy remains to provide machine to machine ("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, crash event identification and reconstruction.

Trakm8 installed vehicles cover over two billion miles each year. This data along with the statistical analysis now available with latest computing techniques will continue to drive the next stages of improved returns on investment in the technology. It will also create opportunities in itself to drive both sales of data and devices as part of the use of Big Data for marketing and promotion planning by retailers.

Trakm8 will also utilise its extensive vehicle electrical knowledge to drive vehicle service algorithms to reduce breakdowns, improve serviceability and reduce cost of ownership. This too will drive increased opportunities for telematics and data within the automotive aftermarket and road side assistance sectors.

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

The long term strategy is to expand from our UK centric base for solutions and introduce the business model into new markets. The market for our solutions is growing across the globe. Trakm8 can be one of the providers to benefit from this and grow into a very significant business. This strategy provides the shareholders with the prospect of continued increase in shareholder value over the medium and long terms.

Strategic Report (continued)

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. Trakm8 has built a strong and profitable base in the UK and will consider expanding into new territories.

With every size of vehicle type 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.

Acquisitions

After the year end the Group announced it had acquired on 16 June 2015 the business and assets of DCS Systems Ltd ("DCS") for a cash consideration of £3.3 million. DCS specialises in the design and distribution of camera systems for the motor vehicle, bicycle and security markets. DCS's last unaudited accounts for its financial year ending 30 April 2015 reported revenues of £2.8 million and profit before tax of £0.6 million. The acquisition was funded from the Group's existing cash and bank facilities.

The Group will continue to seek acquisitions that complement our organic growth strategies. 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.

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 is accredited to ISO 14001 as part of its commitment to best practice on Environmental matters. We monitor various environmental impacts that the Group has, such as CO_2 emitted by company vehicles, and has clear strategies in place to reduce these.

Principal Risks and Uncertainties

The Board has analysed the risks to the Group and considered the probability and magnitude of the effect of each one. From this analysis the Board reviewed the controls and procedures in order to mitigate these risks. The principal risks and uncertainties facing the Group are set below.

1. **Significant operational system failure**
   Our long term strategy is to move our operational systems into the Cloud, consequently we are currently operating systems both within the Cloud and within a traditional data centre environment.

   Non Cloud based services: We provide no single point of failure which entails diversity of datacentres from separate suppliers and replication of data between data centres. Daily point in time backups are taken offsite.

   Cloud based: The cloud approach does not require symmetric hardware between datacentres because it only takes minutes to deploy replacement server(s). To this end we ensure the data is backed up over separate Cloud regions.

2. **Attracting, maintaining and motivating highly skilled engineers and developers**
   We provide interesting work within a growing business and maintaining this is key to employee retention. We have improved the working environment, developed employment compensation arrangements that provide "modern benefits", engaged in more staff participation events and expanded the staff briefing process to monthly.

3. **Competitors taking an increasing market share due to our failure to develop our products**
   We have recruited a new senior leadership team and expanded the breadth and depth of the product and planning functions with strong innovation skills. We believe that we have the resources to stay in the forefront of technology.

4. **A deterioration in the economic climate**
   Daily monitoring of sales orders, invoicing and cash flow. Monthly reviews of overheads against budget. Tight control of all accounts to ensure they do not become overdue.

5. **Adverse Mobile Network Changes**
   1) Trakm8 has a mix of mobile network suppliers, so in the event of a mobile outage 100% of the installed service base will not be affected.

   2) Trakm8 provide a configuration manager which allows remote upgrade of the installed base and this can be used to address system wide issues as long as basic GPRS communications exist.

   3) Trakm8 relies on the mobile phone suppliers to provide a quality of service and investment in suitable reliable infrastructure. The same is true for the GPS network (we don't own our own satellites) and the Internet (we rely on a diverse inter connected network which is supplied by 3rd parties).

6. **Access to finance and debt**
   We have been conservative in raising debt finance and in addition look to maintain sensible levels of cash balances. We closely monitor cash generated from our operations together with new investments in fixed assets and capitalised development costs.

Strategic Report (continued)

Key Performance Indicators

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

	2015 £	2014 £
Adjusted EBITDA Adjusted Earnings before interest, tax, depreciation, amortisation, exceptional costs and share based payments. The Group monitors adjusted EBITDA and the result for the year was much improved. The improvement stemmed from increased revenues at Trakm8 and a full twelve months contribution from BOX, along with the integration of the manufacture of Trakm8's telematics devices.	2,596,573	1,237,734
Invoiced Units Units being invoiced for telematics services increased by 72% to in excess of 102,000 units. This was due to success in both the Fleet Management sector and Insurance market.	102,231	59,602
Monthly recurring revenues The annualised recurring revenues increased by 65% to £7.5m due to increased numbers of units reporting.	624,883	377,953
Cash and cash equivalents The Group monitors the cash position of the company daily and establishes banking facilities with current and future requirements in mind. As a result of new banking facilities and strong operational cash generation the available cash to the business increased during the period.	3,407,959	2,910,786

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

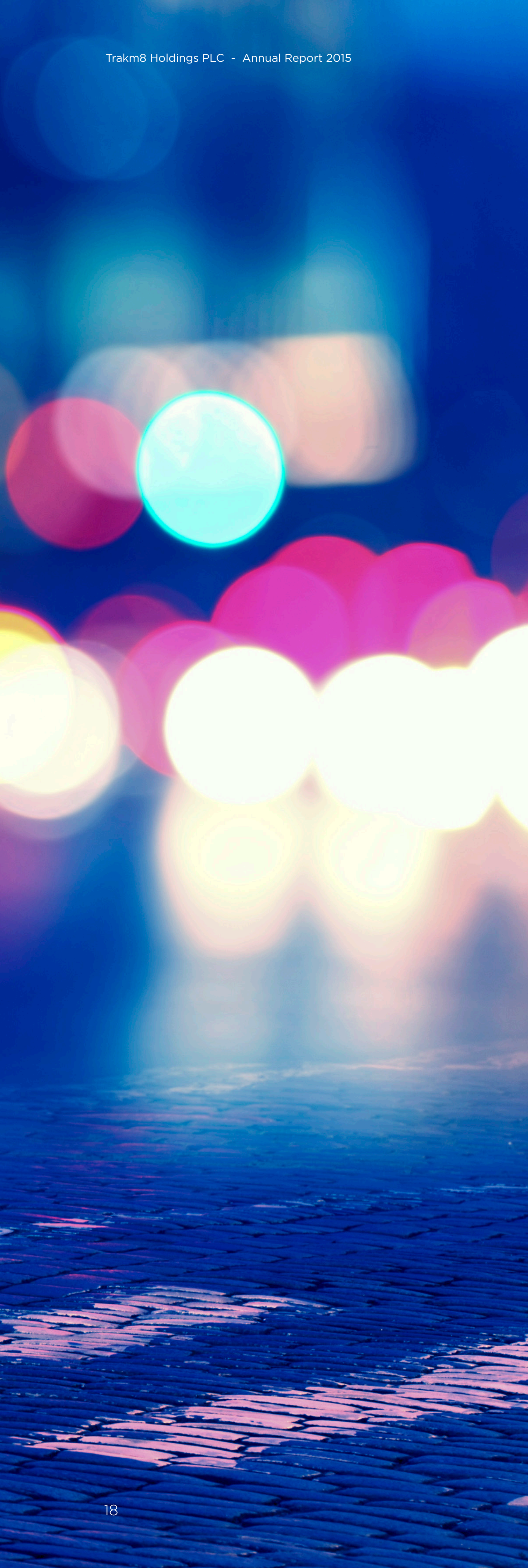
During the year, the Group has consulted with employees in matters likely to affect their interests and is committed to involving them in the performance and development of the Group. The Group has committed to gaining accreditation to ISO 27001 as part of its commitment to data security.

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



Corporate Governance

Board of Directors and Committees

During the financial year the Board, comprised of five executive Directors and one non-executive Director, met regularly throughout the year.

The Board of Trakm8 Holdings PLC is responsible for the strategic direction of the Group's businesses. The Board's specific roles include corporate governance policy and direction; as well as strategy formation and monitoring the achievement of the Group against the business plan. The day-to-day management of the Group is the responsibility of the team of executive Directors under the executive Chairman. The Board meetings of Trakm8 Holdings PLC cover matters required to be covered by the Boards of the Group's subsidiary entities.

The Board members have operated Audit, Remuneration and Nomination Committees throughout the period, although the Nomination Committee met outside of the reporting period on the 28 May 2015. These bodies operate under formally delegated duties and responsibilities and seek advice from independent third parties as the need arises. The committees during the year have comprised of one non-executive Director (K Evans) and the Executive Chairman (J Watkins).

Three new Directors were appointed to the Board on the 1 July 2015 to enhance its corporate governance and ensure the management team implement the Group's growth planes and integrate acquisitions successfully.

Bill Duffy has joined as an additional independent Non Executive Director together with Sean Morris (Group Engineering Director) and Mark Watkins (Managing Director of BOX Telematics).

For the financial year ended 31 March 2015 the Directors' attendance at Board and Committee meetings has been as follows:
v

Type	Board	Audit	Nomination	Remuneration
K Evans	11	2	-	1
M Cowley	11	-	-	-
T Cowley	12	-	-	-
J Hedges	12	-	-	-
J Watkins	12	2	-	1
P Wilson	11	-	-	-
Total held in period	12	2	-	1

Corporate Governance (continued)

Nominations Committee

The committee met in May 2015 and decided to strengthen the Board by appointing Bill Duffy as an additional independent Non Executive Director. Bill has considerable commercial experience having been CEO of Andrew Page, Halfords Autocentres and a number of other leading automotive aftermarket companies. He has also been a consultant to the Board over the past twelve months.

In addition we have appointed two executives to be Directors of the Group: Sean Morris, as Group Engineering Director and Mark Watkins as Group Operations Director. Sean joined the Group six months ago following senior engineering positions at Continental UK, RAC and Aston Martin. Mark joined the Group fifteen months ago as the Managing Director of BOX Telematics following a successful career in IT and operations at Continental UK and Ford Motor Co.

Audit Committee

The Audit Committee is responsible for ensuring that the Group's financial performance is properly monitored, controlled and reported. The Finance Director and other Directors attend as required.

Following good corporate governance the Audit committee initiated a rotational review of our external auditors. Two firms were shortlisted and assessed and PricewaterhouseCoopers LLP were selected in December 2014 as the Group's new auditors.

The committee and the external auditor have safeguards to avoid a potential compromise of auditor's objectivity and independence. These include the adoption of a policy that segregates the supply of audit and non-audit services and requires committee approval for the supply of services such as tax services and acquisition related due diligence.

The key issues considered by the Audit committee included revenue recognition, capitalisation of development costs and impairment review of Goodwill.

Remuneration Committee

The Remuneration Committee's terms of reference include making recommendations on Directors' compensation packages to ensure that the Group Board enjoys and retains an appropriate level of motivated resources. The Committee engages with external consultants as and where it is deemed beneficial.

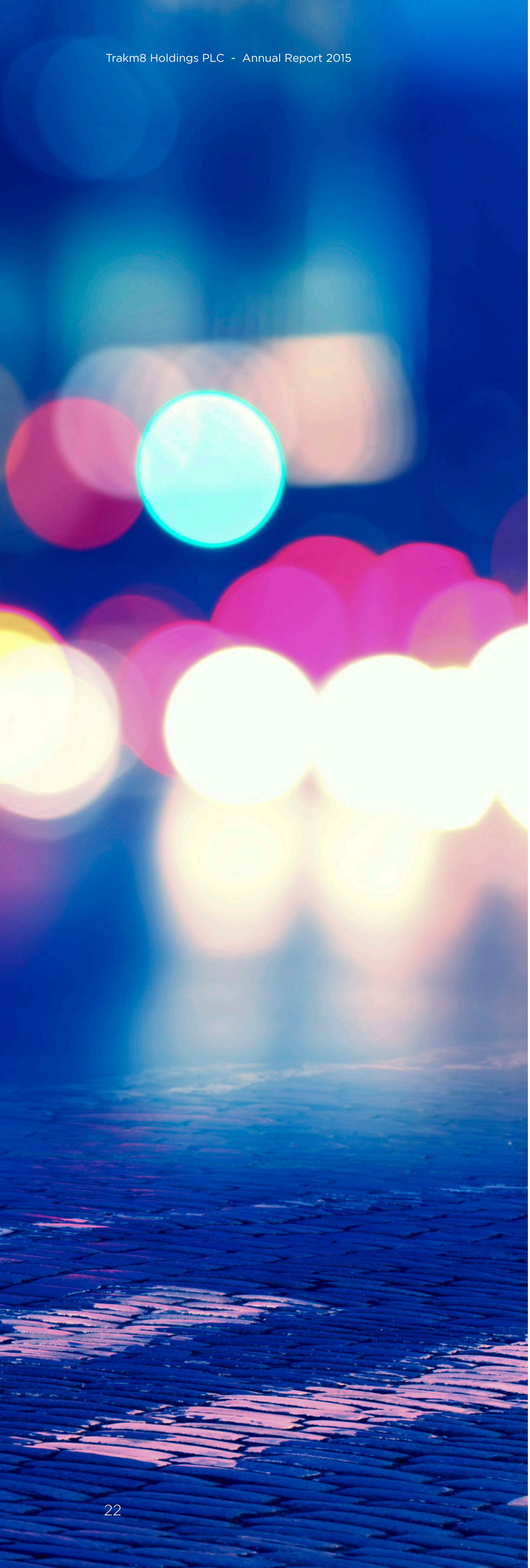
The Group has adopted and operates a share dealing code for Directors in accordance with the requirements of the Combined Code.

Relations with Shareholders

The Board values and attaches the utmost importance to the maintenance of good relationships with shareholders. During the period the Board conducted a series of 'shareholders update presentations' at venues throughout the United Kingdom and the intention is to continue the programme during the current financial year. These presentations are attended by the Non Executive Directors.

By approval of the Board on 3 July 2015

J Hedges
Company Secretary



Directors' **Report**

The Directors submit their Directors' Report and the audited financial statements of Trakm8 Holdings PLC for the year ended 31 March 2015.

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.

Financial Risk Management

The Group manages its key financial risks as follows. Further details can be found in Note 26.

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. It is also the Group's policy to mitigate the risk of borrowings by maintaining cash reserves.

Currency Risk

The Group endeavours to minimise its foreign currency exposure by trading in Sterling wherever possible. The two principal foreign currencies used are the US Dollar and the Euro and where possible we endeavour to match inflows and outflows.

Credit Risk

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.

Results and Dividends

The Group results for the year ended 31 March 2015 are shown in the Consolidated Statement of Comprehensive Income on page 32. The Directors do not recommend the payment of a dividend.

Research and Development

The Group has continued to expand the investment in research and development to ensure the future success of the business. Our focus is to continuously enrich our telematics data and the telematics services we can offer. This includes Insurance risk, First Notification of Loss ("FNOL") and crash reconstruction software. The Group has also established market leading automotive vehicle diagnostic expertise for over-the-air vehicle condition monitoring and service predictions. During the year we capitalised development costs of £861,849 and a further £350,177 was expensed. The Group broadened the capability of the development team and established new leadership in order to further enhance the Group's development resources and products for future years.

Going Concern

The Directors report that, having reviewed current performance and forecasts, they have a reasonable expectation that the Group has adequate resources to continue its operations for the foreseeable future. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

Future Developments

On 16 June 2015 the Group announced it had acquired the business and assets of DCS Systems Ltd ("DCS") for a cash consideration of £3.3 million. DCS specialises in the design and distribution of camera systems for the motor vehicle, bicycle and security markets.

Further consideration on the future developments and exciting prospects of the Group, has been taken in the Executive Chairman's Statement and the Strategic Report. The Group expects to expand the fleet management and insurance solutions with the integration of camera technologies.

The Group also expects that the enlarged sales and marketing teams will continue to generate organic growth in the UK and international markets. Further acquisitions will be assessed and, if our strict criteria are met, will be progressed.

Directors

The following Directors have held office during the period:

K Evans	J Hedges
M Cowley	J Watkins
T Cowley	P Wilson

The following additional Directors were appointed after the year end on 1 July 2015:

W Duffy
S Morris
M Watkins

Directors' Report (continued)

Directors And Their Interests

At 31 March 2015 the Directors' interests in the shares of the Company are detailed below:-

This table is audited

	1p Ordinary shares at 31 March 2015	% of issued Ordinary share capital (28,973,821 Ordinary shares)	1p Ordinary shares at 1 April 2014	% of issued Ordinary share capital (28,873,821 Ordinary shares)
M Cowley	1,540,357	5.32%	1,540,357	5.33%
T Cowley	1,897,638	6.55%	1,897,638	6.57%
J Hedges	2,152,626	7.43%	2,152,626	7.46%
J Watkins	6,149,344	21.22%	6,399,344	22.16%
P Wilson	691,876	2.39%	691,876	2.40%

The Directors had no interest in the share capital of the Company's subsidiary undertakings at 31 March 2015 or on the date on which these financial statements were approved.

Directors' Remuneration

The Directors' remuneration for the year ended 31 March 2015 was:

This table is audited

	Salaries & benefits £	Bonuses £	Pension contributions £	Total year ended 31 March 2015 £	Restated Total year ended 31 March 2014 £
K Evans[2]	28,000	-	-	28,000	18,750
M Cowley	92,941	2,142	-	95,083	118,074
T Cowley	107,354	2,500	-	109,854	118,074
J Hedges	107,738	2,500	2,138	112,376	118,315
J Watkins	198,428	4,250	-	202,678	221,960
P Wilson	91,739	10,053	1,990	103,782	98,321
C D Buck[1]	-	-	-	-	17,500
Total	**626,200**	**21,445**	**4,128**	**651,773**	**710,994**

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

The prior year comparatives have been restated to show the full net value receivable to Directors in respect of share options granted in the year.

The Directors bonuses were payable based on the outturn of sales and profits for the year ended 31 March 2015.

Directors' Share Options

At 31 March 2015 the following options had been granted to the Company's Directors and remain current and unexercised:

This table is audited

	Option exercise price	Balance as at 1 April 2014	Granted during year	Exercised during year	Expired/ forfeited during year	Balance as at 31 March 2015	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 qualifying third party indemnity provisions for the Directors which was in place throughout the year and has remained in place since the year end.

Treasury Shares

At 1 April 2014 the Company held 150,000 of its own 1p Ordinary shares. During the year 75,000 of these shares were sold for a total consideration of £48,888 leaving 75,000 held by the company as at 31 March 2015 (representing 0.26% of the called up share capital).

Statement As To Disclosure of Information To The Auditor

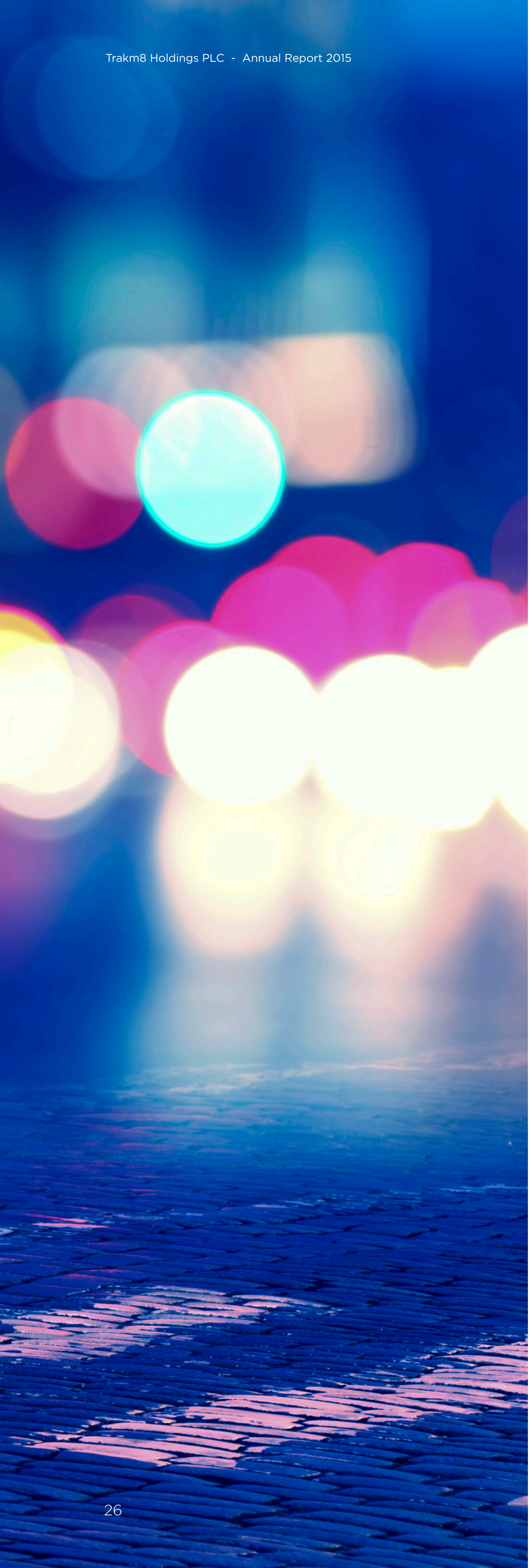
The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have 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 appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors, will be put to the members at the Annual General Meeting.

By approval of the Board on 3 July 2015

J Hedges
Company Secretary



Statement of Directors' Responsibilities In The Preparation of Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the group and parent company financial statements respectively;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

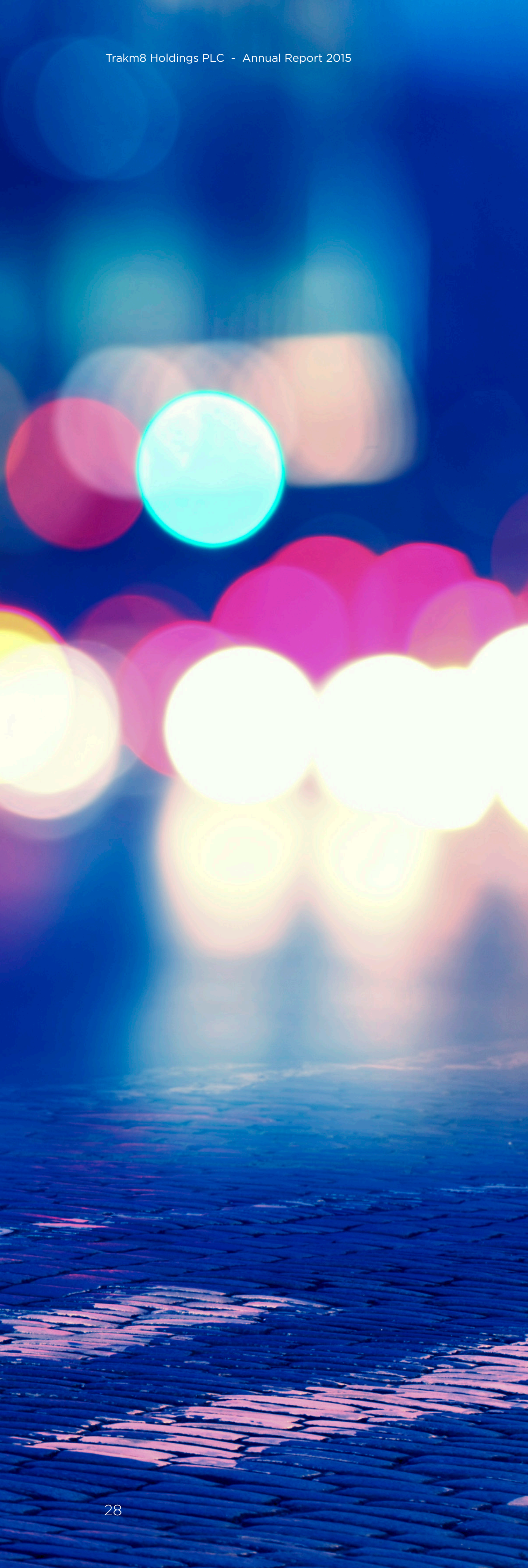
The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess a company's performance, business model and strategy.

Each of the directors, whose names are listed in the directors' report confirm that, to the best of their knowledge:

- the group financial statements, which have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the group; and
- the directors' report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties that it faces.

By approval of the Board on 3 July 2015

J Hedges
Company Secretary



Independent Auditors' Report To The Members Of Trakm8 Holdings PLC

Report On The Financial Statements

In our opinion:

- Trakm8 Holdings PLC's group financial statements and parent company financial statements (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 2015 and of the group's profit and cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") 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.

What We Have Audited

Trakm8 Holdings PLC's financial statements comprise:

- the consolidated statement of financial position as at 31 March 2015;
- the parent company balance sheet as at 31 March 2015;
- the consolidated statement of compehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and

- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Report And Financial Statements, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and IFRSs 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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other Matters On Which We Are Required To Report By Exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent Auditors' Report (continued)

Responsibilities For The Financial Statements And The Audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 26, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 and the parent company'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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.

Matthew Hall (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP

Chartered Accountants and
Statutory Auditors

Southampton

6 July 2015

Consolidated Statement of **Comprehensive Income** For The Year Ended 31 March 2015

	Notes	2015 £	2014 £
Revenue	6	17,853,436	9,193,073
Cost of sales		(9,791,655)	(3,931,987)
Gross profit		**8,061,781**	**5,261,086**
Administrative expenses before exceptional costs		(6,301,424)	(4,398,516)
Operating Profit before exceptional costs	7	**1,760,357**	**862,570**
Exceptional administrative costs	8	-	(433,351)
Operating Profit		**1,760,357**	**429,219**
Finance income		388	2,618
Finance costs	9	(58,439)	(35,314)
Profit Before Taxation		**1,702,306**	**396,523**
Income tax	10	(13,241)	74,955
Profit For The Year Attributable To The Owners of The Parent		**1,689,065**	**471,478**
Other Comprehensive Income			
Items that may be subsequently reclassified to profit or loss: Currency translation differences		(4,460)	(3,150)
Total Comprehensive Income For The Year Attributable To The Owners of The Parent		**1,684,605**	**468,328**
Adjusted EBITDA	7	**2,596,573**	**1,237,734**
Earnings Per Ordinary Share (Pence) Attributable To Owners of The Parent			
Basic	12	5.84p	2.01p
Diluted	12	5.48p	1.90p

There were no discontinued operations in 2015 or 2014. Accordingly the results relate to continuing operations.

Consolidated Statement of
Changes in Equity
For The Year Ended 31 March 2015

	Share Capital £	Share Premium £	Merger Reserve £	Translation Reserve £	Treasury Reserve £	Retained Earnings £	Total Equity Attributable To Owners of The Parent £
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 1 April 2014	**288,738**	**3,641,561**	**509,837**	**200,063**	**-**	**491,877**	**5,132,076**
Comprehensive Income							
Profit for the year	-	-	-	-	-	1,689,065	1,689,065
Other comprehensive income							
Exchange differences on translation of overseas operations	-	-	-	(4,460)	-	-	(4,460)
Total Comprehensive Income	**-**	**-**	**-**	**(4,460)**	**-**	**1,689,065**	**1,684,605**
Transactions with owners							
Shares issued	1,000	11,500	-	-	-	-	12,500
Reclassification of previous Treasury share transactions	-	67,076	-	-	(23,250)	(43,826)	-
Sale of own shares	-	37,263	-	-	11,625	-	48,888
IFRS2 Share based payments	-	-	-	-	-	116,932	116,932
Transactions with owners	1,000	115,839	-	-	(11,625)	73,106	178,320
Balance as at 31 March 2015	**289,738**	**3,757,400**	**509,837**	**195,603**	**(11,625)**	**2,254,048**	**6,995,001**

Consolidated Statement of **Financial Position** As At 31 March 2015

Assets	Notes	2015 £	2014 £
Non Current Assets			
Intangible assets	13	3,599,307	3,249,408
Property and equipment	14	1,299,565	1,157,222
Deferred income tax asset	17	665,688	753,134
		5,564,560	**5,159,764**
Current Assets			
Inventories	15	1,493,417	1,280,609
Trade and other receivables	16	4,911,525	3,269,643
Cash and cash equivalents		3,407,959	2,910,786
		9,812,901	**7,461,038**
Liabilities			
Current Liabilities			
Trade and other payables	18	(5,430,702)	(5,035,873)
Borrowings	19	(575,644)	(499,992)
Provisions	20	(92,193)	-
		(6,098,539)	**(5,535,865)**
Current Assets Less Current Liabilities		**3,714,362**	**1,925,173**
Total Assets Less Current Liabilities		**9,278,922**	**7,084,937**
Non Current Liabilities			
Borrowings	19	(2,236,001)	(1,791,675)
Provisions	20	(47,920)	(161,186)
Net Assets		**6,995,001**	**5,132,076**
Equity			
Share capital	21	289,738	288,738
Share premium account		3,757,400	3,641,561
Merger reserve account		509,837	509,837
Translation reserve		195,603	200,063
Treasury reserve		(11,625)	-
Retained earnings		2,254,048	491,877
Total Equity Attributable To Owners of The Parent		**6,995,001**	**5,132,076**

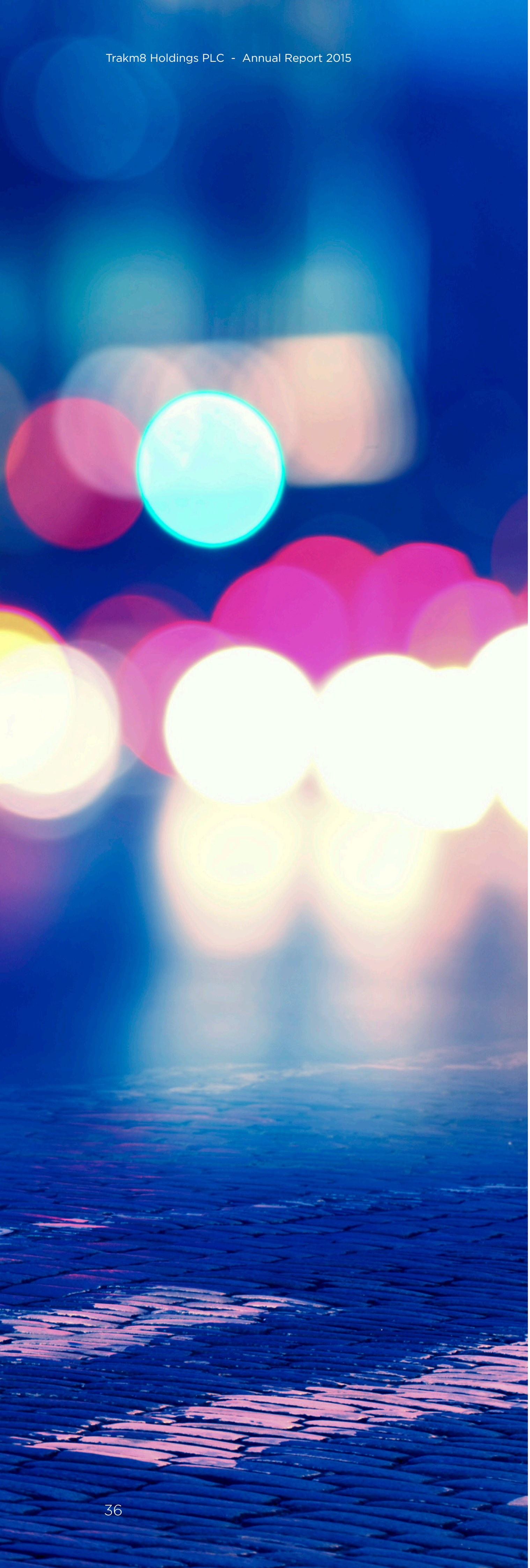
The notes on pages 36 to 62 are an integral part of these consolidated financial statements. These financial statements on pages 32 to 62 were approved by the Board of Directors and authorised for issue on 3 July 2015 and are signed on their behalf by:

J Watkins - Director

J Hedges - Director

Consolidated Statement of
Cash Flows
For The Year Ended 31 March 2015

	Notes	2015 £	2014 £
Net Cash Infow From Operating Activities	23	1,127,641	1,936,262
Cash Infow From Investing Activities			
Interest received		388	2,618
Acquisition of subsidiary undertaking (net of cash acquired)		(5,175)	(2,991,500)
Purchases of property, plant and equipment		(355,087)	(302,510)
Proceeds from sale of plant and equipment		9,888	10,000
Capitalised development costs		(861,849)	(614,551)
Net Cash Used In Investing Activities		**(1,211,835)**	**(3,895,943)**
Cash Flows From Financing Activities			
Issue of new shares		12,500	1,985,000
Sale of Treasury shares		48,888	101,750
New bank Loan		3,000,000	2,500,000
Repayment of loans		(2,480,021)	(1,096,416)
Repayment of obligations under hire purchase agreements		-	(25,000)
Net Cash From Financing Activities		**581,367**	**3,465,334**
Net Increase In Cash And Cash Equivalents		**497,173**	**1,505,653**
Cash And Cash Equivalents At Beginning Of Year		**2,910,786**	**1,405,133**
Cash And Cash Equivalents At End Of Year		**3,407,959**	**2,910,786**



Notes To The **Consolidated Financial Statements**

1. **General Information**
Trakm8 Holdings PLC ("Company") and its subsidiaries (together the "Group") manufacture, distribute and sell telematics devices and services.

Trakm8 Holdings PLC 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 IFRS Interpretations Committee ("IFRS IC") 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 made up to 31 March 2015.

These financial statements are presented on a going concern basis. The Group has cash balances of £3,407,962 at 31 March 2015 and the Directors have a reasonable expectation that the Group will have adequate financial resources to continue in operation for the foreseeable future.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates and management to exercise its judgement in the process of applying the Group's accounting policies as disclosed within note 4 and 5.

4. **Accounting Policies**

Basis of Accounting

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

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.

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.

Consolidated Financial Statements (continued)

Share-based Payments

The Group has applied the requirements of IFRS 2 Share-based payment.

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 at fair value 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. They are then amortised over the period to which they relate.

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.

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:

Freehold property	2%	Straight line
Furniture, fixtures and equipment	25%	Reducing balance
Computer equipment	33%	Straight line
Motor vehicles	25%	Straight line

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.

Consolidated Financial Statements (continued)

Inventories

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

Operating Leases

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

Sterling is considered to be the functional currency of the Group. This is 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.

Foreign currency monetary 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.

Current tax is based on taxable profits 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 on the sale of telematics devices and other hardware is recognised on the delivery of the goods to the customer, or where bill and hold arrangements exist on acceptance of the goods by the customer. Telematics services, being the provision of data to customers, is recognised over the period to which it relates and the appropriate portion of service revenues covering a future period is shown as deferred income under current liabilities.

The relevant proportion of revenue for engineering services is recognised when the project is substantially complete and the outcome is reasonably certain.

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.

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.

The Board have assessed that there is now just one segment following the integration of the Trakm8 and BOX businesses. This segment has two separate revenue streams distinguished by whether the revenues arise from solely hardware sales (Products) or hardware with ongoing service fees (Solutions).

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
- Treasury reserve represents the cost of shares held in Treasury.
- Retained earnings represents retained profits and the share based payment reserve.

Treasury Shares

The profit on the sale of Treasury shares in the previous year has been reclassified between Share Premium, Treasury reserve and Retained earnings. This reclassification was not considered material to justify a prior year restatement.

Consolidated Financial Statements (continued)

Changes In Accounting Standards And Disclosures

- The Group has not adopted any new interpretations or amendments to existing standards in the year ended 31 March 2015.
- There are no new 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).

Revenue recognition

Revenue on development projects is recognised when the work has been substantially completed and management have assessed that the outcome is reasonably certain.

Goodwill carrying value

A full impairment review has been performed on a "value in use" basis, which requires estimation of future net operating cash flows, the time period over which they will occur, an appropriate discount rate and an appropriate growth rate. Further details, including a sensitivity analysis, are given in Note 13 and the accounting policy is set out in Note 4.

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
Management are particularly conscious of the financial weakness of some companies and closely monitors 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.

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 chief operating decision maker ("CODM") is identified as the Board and as per the Executive Chairman's Statement, the CODM now define all it's trading under the single Integrated Telematics Technology segment and therefore review the results of the group as a whole. Consequently all of the Group's revenue, expenses, results, assets and liabilities are in respect of one Integrated Telematics Technology segment.

The CODM review the revenue streams of Integrated Fleet Management and Insurance Solutions (Solutions) and Hardware as Discrete Devices (Products) as part of their internal reporting. Products is the sale of hardware through the Group's distributors. Solutions represents the sale of the Group's full vehicle telematics service to customers, engineering services, professional services and mapping solutions.

A breakdown of revenues within these streams are as follows:

	2015 £	2014 £
Solutions	10,981,695	5,784,866
Products	6,871,741	3,408,207
	17,853,436	**9,193,073**

Consolidated Financial Statements (continued)

A geographical analysis of revenue by destination is as follows:

	2015 Products £	2015 Solutions £	2015 Total £	2014 Products £	2014 Solutions £	2014 Total £
United Kingdom	6,174,260	10,268,761	16,443,021	2,691,092	5,583,851	8,274,943
USA	191,744	98,534	290,278	211,176	4,835	216,011
Canada	226,146	360	226,506	210,233	-	210,233
Norway	-	377,043	377,043	4,887	170	5,057
Rest of Europe	46,760	132,040	178,800	34,577	94,705	129,282
UAE	175,880	-	175,880	222,056	-	222,056
Rest of World	56,951	104,957	161,908	34,186	11,305	135,491
	6,871,741	**10,981,695**	**17,853,436**	**3,408,207**	**5,784,866**	**9,193,073**

All non current assets are located in the UK with the exception of £5,023 (2014: £5,835) which are held in Europe.

7. Operating Profit

The following items have been included in arriving at operating profit:

	2015 £	2014 £
Depreciation:		
owned fixed assets	202,159	102,300
assets on hire purchase	-	16,667
Amortisation of intangible assets	517,125	202,208
Operating lease rentals:		
Land and buildings	51,862	47,411
Other	142,838	105,781
Research and development expenditure	350,177	26,797
Loss on foreign exchange transactions	18,227	13,373
Staff costs (note 11)	4,479,252	2,892,974

Auditors' Remuneration	2015 £	2014 £
Fees payable to the Company's auditor for the audit of the parent company and consolidated financial statements	10,000	8,760
Fees payable to the Company's auditor for other services:		
The audit of the Company's subsidiaries	30,000	26,475
Tax advisory services	7,500	3,900

Adjusted EBITDA is monitored by the Board and measured as follows:-

	2015 £	2014 £
Operating Profit	1,760,357	429,219
Add back:		
Depreciation	202,159	118,967
Amortisation	517,125	202,208
EBITDA	2,479,641	750,394
Exceptional administrative costs	-	433,351
Share based payments	116,932	53,989
Adjusted EBITDA	**2,596,573**	**1,237,734**

8. Exceptional Costs

	2015 £	2014 £
Acquisition costs	-	365,512
Integration costs	-	67,839
	-	**433,351**

The acquisition costs related to the purchase of BOX Telematics Limited in October 2013. The integration costs related to the reorganisation of management following the acquisition. These costs have been included as part of Administration costs.

9. Finance Costs

	2015 £	2014 £
Interest on bank loans	**58,439**	**35,314**

Consolidated Financial Statements (continued)

10. Income Tax

	2015 £	2014 £
R&D tax credit	(74,205)	-
Adjustment for previous R&D tax credit	-	(10,853)
Recognition of deferred tax movement	87,446	(64,102)
Income tax charge / (credit)	**13,241**	**(74,955)**

Factors affecting the tax charge

The tax assessed for the year is lower (2014: lower) than the applicable rate of corporation tax in the UK. The difference is explained below:

	2015 £	2014 £
Profit before tax	**1,702,306**	**396,523**
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2014: 20%)	340,461	79,305
Effects of:		
Expenses not deductible/income not taxable	69,460	84,078
Capital allowances in excess of depreciation	-	20,587
R&D relief enhanced deduction	(213,381)	(262,392)
Deferred tax brought forward adjustment	96,145	(16,343)
Other deferred tax movement	-	(163)
Utilisation of tax losses not recognised as a deferred tax asset	(205,239)	30,826
R&D tax credit	(74,205)	(10,853)
Total tax charge / (credit)	**13,241**	**(74,955)**

11. Employees

The average monthly number of persons (including Directors) employed by the Group was:

	2015	2014
Research and development	41	27
Selling and distribution	40	30
Production	55	24
Administration	21	14
	157	**95**

Staff costs for the employees and Directors (included under Administrative expenses):	2015 £	2014 £
Salaries and other short-term employee benefits	3,828,339	2,488,392
Social security costs	496,755	337,757
Share based payments	116,932	53,989
Post-employment benefits	37,226	12,836
	4,479,252	**2,892,974**

The compensation for key management personnel was as follows (included under Administrative expenses):	2015 £	2014 £
Salaries and other short-term employee benefits	816,740	511,356
Post-employment benefits	5,085	1,960
Share based payments	85,063	26,894
	906,888	**540,210**

The key management personnel are the Directors and in addition the BOX Managing Director, the Trakm8 Limited Sales Director and the Group Engineering Director.

Details of Directors' fees and salaries, bonuses and pensions (including of that of the highest paid Director) have been audited and are given in the Directors' Report on page 22.

Consolidated Financial Statements (continued)

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:

	2015 £	2014 £
Earnings for the year after taxation	1,689,065	471,478

	2015	2014
Number of Ordinary shares of 1p each	28,973,821	28,873,821
Basic weighted average number of Ordinary shares of 1p each	28,944,151	23,476,997
Basic weighted average number of Ordinary shares of 1p each (diluted)	30,823,153	24,767,077
Basic Earnings per share	5.84p	2.01p
Adjust for effects of:		
Exceptional costs	-	1.84p
Share based payments	0.40p	0.23p
Adjusted earnings per share	6.24p	4.08p
Diluted earnings per share	**5.48p**	**1.90p**

13. **Intangible Assets**

	Goodwill £	Intellectual property £	Development costs £	Total £
Cost				
As at 1 April 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**
Additions	5,175	-	861,849	867,024
As at 31 March 2015	**1,984,289**	**1,620,184**	**2,178,526**	**5,782,999**
Amortisation				
As at 1 April 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**
Charge for year	-	153,617	363,508	517,125
As at 31 March 2015	**-**	**1,303,793**	**879,899**	**2,183,692**
Net Book Value				
As at 31 March 2015	**1,984,289**	**316,391**	**1,298,627**	**3,599,307**
As at 31 March 2014	**1,979,114**	**470,008**	**800,286**	**3,249,408**
As at 1 April 2013	**-**	**631,248**	**237,282**	**868,530**

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

Consolidated Financial Statements (continued)

Since the acquisition the two main trading entities, Trakm8 Ltd and BOX Telematics Ltd have been closely integrated. BOX now manufacturers all of the new T10 range of hardware products which is sold by both trading entities. In addition both companies have combined their customer support, development and finance functions. The two businesses have therefore been assessed as one cash generating unit for an impairment test on Goodwill.

The impairment review has been based on the Group's budgets for 2015/16 which have been reviewed and approved by the Board. Forecasts for the subsequent 3 years have been produced based on 7% growth rates in each year. A net present value has been calculated using a pre tax discount rate of 10% which is deemed to be a prudent rate taking account of the Group's cost of funds and an extra element for risk. No terminal value has been calculated as the discounted cash flow forecasts used within the model fully support the goodwill value.

In addition a sensitivity analysis has been undertaken by making the following changes:-

1. Reduction in annual growth rates to 3% per annum
2. Increase in the discount rate to 13%

The conclusion of this review is that no impairment in the goodwill figure is necessary.

Development costs have been internally generated. Amortisation expenses of £517,125 (2014: £202,208) have been charged to Administrative expenses in the Consolidated Statement of Comprehensive Income.

14. Property And Equipment

	Freehold Property	Furniture, fixtures and equipment	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
As at 1 April 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**
Additions	-	147,444	207,643	-	355,087
Exchange differences	-	(740)	(760)	-	(1,500)
Disposals	-	(21,235)	-	-	(21,235)
As at 31 March 2015	**507,684**	**799,104**	**521,164**	**9,793**	**1,837,745**
Deprication					
As at 1 April 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**
Charge for year	4,460	97,953	95,884	3,862	202,159
Exchange differences	-	(44)	(760)	-	(804)
Disposals	-	(11,346)	-	-	(11,346)
As at 31 March 2015	**39,787**	**191,864**	**300,985**	**5,544**	**538,180**
Net Book Value					
As at 31 March 2015	**467,897**	**607,240**	**220,179**	**4,249**	**1,299,565**
As at 31 March 2014	**472,357**	**568,334**	**108,420**	**8,111**	**1,157,222**
As at 1 April 2013	**390,033**	**105,456**	**64,686**	**-**	**560,175**

Included within freehold property is £284,585 (2014: £284,585) relating to land which is not depreciated.

Total depreciation expenses of £202,159 (2014: £118,967) have been charged to Administrative expenses in the Consolidated Statement of Comprehensive Income.

Consolidated Financial Statements (continued)

15. Inventories

	2015 £	2014 £
Raw materials	928,859	339,145
Work in progress	147,137	369,456
Finished goods and goods for resale	417,421	572,008
	1,493,417	**1,280,609**

The cost of inventories recognised as an expense and included in cost of sales amounted to £6,731,681 (2014: £3,459,102). During the year old inventory lines totalling £11,559 (2014: £8,205) were written down and charged to cost of sales in the Consolidated Statement of Comprehensive income.

16. Trade And Other Receivables

	2015 £	2014 £
Trade receivables	4,257,337	2,537,339
Other receivables	538,754	276,333
Prepayments	115,434	455,971
	4,911,525	**3,269,643**

The analysis of trade receivables by currency

	2015 £	2014 £
Pound sterling	4,061,940	2,534,081
Dollar	177,467	-
Other	17,930	3,258
	4,257,337	**2,537,339**

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 £8,600 (2014: £109,065).

As at 31 March 2015 trade receivables of £743,621 were past due but not impaired. The ageing analysis of these trade receivables is as follows:-

	2015 £	2014 £
Up to 3 months past due	679,104	588,368
3 to 6 months past due	64,517	65,655
	743,621	**654,023**

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:

Deferred tax asset	2015 £	2014 £
Deferred tax asset to be recovered after more than 12 months	578,242	753,134
Deferred tax asset to be recovered within 12 months	87,446	-
	665,688	**753,134**

In addition to the deferred tax asset shown above, the Group has trading losses of £2,068,000 (2014: £3,031,000) not recognised as a deferred tax asset because recovery is not expected in the near future.

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

	£
As at 1 April 2013	110,290
Acquired in the year	578,741
Credited to the Statement of Comprehensive Income	64,103
At 31 March 2014	**753,134**
Debited to the Statement of Comprehensive Income	(87,446)
At 31 March 2015	**665,688**

Consolidated Financial Statements (continued)

18. Current Liabilities - Trade And Other Payables

	2015 £	2014 £
Trade payables	3,041,087	2,190,908
Social security and other taxes	716,770	681,271
Other payables	246,001	221,954
Accruals and deferred income	1,426,844	1,941,740
	5,430,702	**5,035,873**

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

19. Borrowings

Bank Loan	2015 £	2014 £
Current	575,644	499,992
Non Current	2,236,001	1,791,675
	2,811,645	**2,291,667**

	2015 £	2014 £
On demand or within one year	575,644	499,992
After one and within two years	590,005	499,992
After two and within five years	1,645,996	1,291,683
After five years	-	-
	2,811,645	**2,291,667**
Less: Amount due for settlement within one year (shown as current liabilities)	(575,644)	(499,992)
Amount due for settlement after more than one year	**2,236,001**	**1,791,675**

All borrowings are held in sterling and the Directors consider their carrying amount approximates to their fair values.

During 2014 the term loan from Clydesdale was repaid in full and replaced by a new term loan of £3m with HSBC. The new 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 1.95% over Base rate.

In addition HSBC granted a new £1m revolving credit facility which is repayable in full at the end of the three year term. The loan bears an interest rate of 1.5% over LIBOR on the drawn amount and a fee of 0.75% on the undrawn facility. As at 31 March 2015 the Group had not drawn down any of this credit facility.

20. Provisions

	£
As at 1 April 2014	161,186
Arising during the year	67,699
Utilised	(67,699)
Reversal of unused amounts	(21,073)
At 31 March 2015	**140,113**

The provision related to the potential warranty claims that may come into fruition in the near future. This provision is expected to be utilised as follows

Current	92,193
Non-current	47,920
	140,113

21. Share Capital

	No's '000's	2015 £	No's '000's	2014 £
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	**28,974**	**289,738**	**28,874**	**288,738**

Movement in share capital:

	2015 £	2014 £
As at 1 April 2014	288,738	194,147
New shares issued	1,000	94,591
As at 31 March 2015	**289,738**	**288,738**

The Company currently holds 75,000 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 28,898,821.

Consolidated Financial Statements (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 of all share options is the closing market price on the day of grant. A vesting period of three years is applicable according to the terms of each scheme which specify the options will vest providing employees remain in service for three years from the date of grant.

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. During the year three new sets of options were awarded and the inputs to our Black Scholes pricing model were:

	Option Scheme		
	P	Q	R
Grant date	7/4/2014	31/7/2014	18/12/2014
Weighted average FV (pence)	28.43	40.77	43.26
Weighted average SP (pence)	57.75	81.5	87.5
Exercise price (pence)	57.75	81.5	87.5
Expected volatility (%)	57.1%	57.1%	57.4%
Expected life of option	5 years	5 years	5 years
Dividend yield (%)	0 %	0 %	0 %
Risk free (%)	1.20 %	1.20 %	1.20 %

The risk free rate of return is the yield on government gilt market price and the volatility has been based on historic share prices.

Options granted during the year were:-

Grant date	No. of shares	Option exercise price	Date of expiry
07/04/14	200,000	57.75p	06/04/24
31/07/14	125,000	81.50p	30/07/24
18/12/14	300,000	87.50p	17/12/24
	625,000		

A reconciliation of option movements over the year to 31 March 2015 is shown below;

		2015		2014
	Share options	Weighted average exercise	Share options	Weighted average exercise
	No.	Price (p)	No.	Price (p)
Outstanding at beginning of the year	2,625,000	23.3	1,625,000	13.4
Granted during the period	625,000	76.8	1,350,000	33.1
Lapsed during the period	-	-	(300,000)	15.5
Exercised during the period	(100,000)	12.5	(50,000)	13.0
Outstanding at the end of the year	**3,150,000**	**34.3**	**2,625,000**	**23.3**

The share price at the date of exercise of the above 100,000 options was 81.5 pence. The range of exercise prices of the outstanding options is 13.0 pence to 87.5 pence and the weighted average remaining contractual life is 8.3 years. The Group charged £116,932 to the Statement of Comprehensive Income in respect of Share-Based Payments for the financial year ended 31 March 2015 (2014: £53,989). Share options exercisable at the 31 March 2015 were nil (2014: 100,000).

Consolidated Financial Statements (continued)

23. Cash Generated From Operations

Reconciliation of profit before tax to net cash flow from operating activities:	2015 £	2014 £
Profit before tax	1,702,306	396,523
Depreciation	202,159	118,967
Bank and other interest	58,051	32,696
Amortisation of intangible assets	517,125	202,208
Share based payments	116,932	53,989
Operating cash flows before movement in working capital	**2,596,573**	**804,383**
Movement on retranslation of overseas operations	(3,764)	(2,634)
Movement in inventories	(212,808)	250,694
Movement in trade and other receivables	(1,641,882)	(1,041,130)
Movement in trade and other payables	394,829	1,848,741
Movement in provisions	(21,073)	-
Cash generated from operations	**1,111,875**	**1,860,055**
Interest paid	(58,439)	(35,314)
Income taxes received	74,205	111,521
Net cash inflow from operating activities	**1,127,641**	**1,936,262**

24. **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:

Operating Leases	2015 £	2014 £
Land and buildings		
Within one year	86,362	86,362
In the second to fifth years inclusive	356,087	121,087
Over 5 years	456,000	-
Other		
Within one year	122,594	107,967
In the second to fifth years inclusive	111,379	108,248
	1,132,422	**423,664**

Land and buildings under operating leases represents two leases payable by the Group which have expiry dates of March 2017 and March 2026 respectively.

25. **Related Party Transactions**

In January 2014 220,000 treasury shares were sold to a key management employee and a further 35,000 treasury shares were sold to the same employee in April 2014. A total of 500,000 share options were granted during the year to three key management employees. Transactions with the Directors have been detailed in the Directors' Report.

Consolidated Financial Statements (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 cash reserves.

Currency risk

The Group operates internationally although the majority of its sales are in sterling. Purchases of components are also made in US Dollars and Euros. The Group endeavours to minimise its foreign currency exposure by trading in Sterling wherever possible

The following table details the Group's sensitivity to a 10% decrease in the Sterling against the US Dollar and the Euro and the resulting effect on profit. The sensitivity analysis of the Group's exposure to foreign currency risk at the year end has been determined based upon the assumption that the increase in US Dollar and Euro exchange rates is effective throughout the financial year and all other variables remain constant.

	2015 £	2014 £
US Dollar	(43,694)	(13,454)
Euro	(72,500)	(20,462)

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 cash and cash equivalents can be assessed by reference to the external credit ratings of the banks where the deposits are held.

Credit rating (S&P)	2015 £	2014 £
AA-	3,045,749	1,640,609
BBB+	362,210	1,270,177
	3,407,959	**2,910,786**

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 total borrowings divided by total capital. Total borrowings include "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 total borrowings.

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.

	2015 £	2014 £
Total borrowings (note 19)	**2,811,645**	**2,291,667**
Total equity	6,995,001	5,132,076
Total capital	9,806,646	7,423,743
Gearing ratio	29%	31%

At the year end the Group had total cash net of borrowings of £596,314 (2014: £619,119).

Consolidated Financial Statements (continued)

Financial instruments by category

Assets as per Statement of Financial Position	Loans and receivables	
	2015 £	2014 £
Trade and other receivables excluding prepayments	4,796,091	2,813,672
Cash and cash equivalents	3,407,959	2,910,786
	8,204,050	**5,724,458**

Liabilities as per Statement of Financial Position	Financial liabilities at amortised cost	
	2015 £	2014 £
Borrowings	2,811,645	2,291,667
Trade and other payables excluding statutory liabilities	4,713,932	4,354,602
	7,525,577	**6,646,269**

Cash and cash equivalents

Cash and cash equivalents comprise solely of cash in hand held by Group.

27. **Post Balance Sheet Events**

On 16 June 2015 the Group announced it had acquired the business and assets of DCS Systems Ltd ("DCS") for a cash consideration of £3.3 million. DCS specialises in the design and distribution of camera systems for the motor vehicle, bicycle and security markets. DCS's last unaudited accounts for its financial year ending 30 April 2015 reported revenues of £2.8 million and profit before tax of £0.6 million. The acquisition was funded from the Group's existing cash and bank facilities.

The Group also announced it had obtained a further debt facility from HSBC Bank of an additional £2 million taking the total debt facility to £5.7m of which £3.7m has been drawn down following the acquisition of DCS.

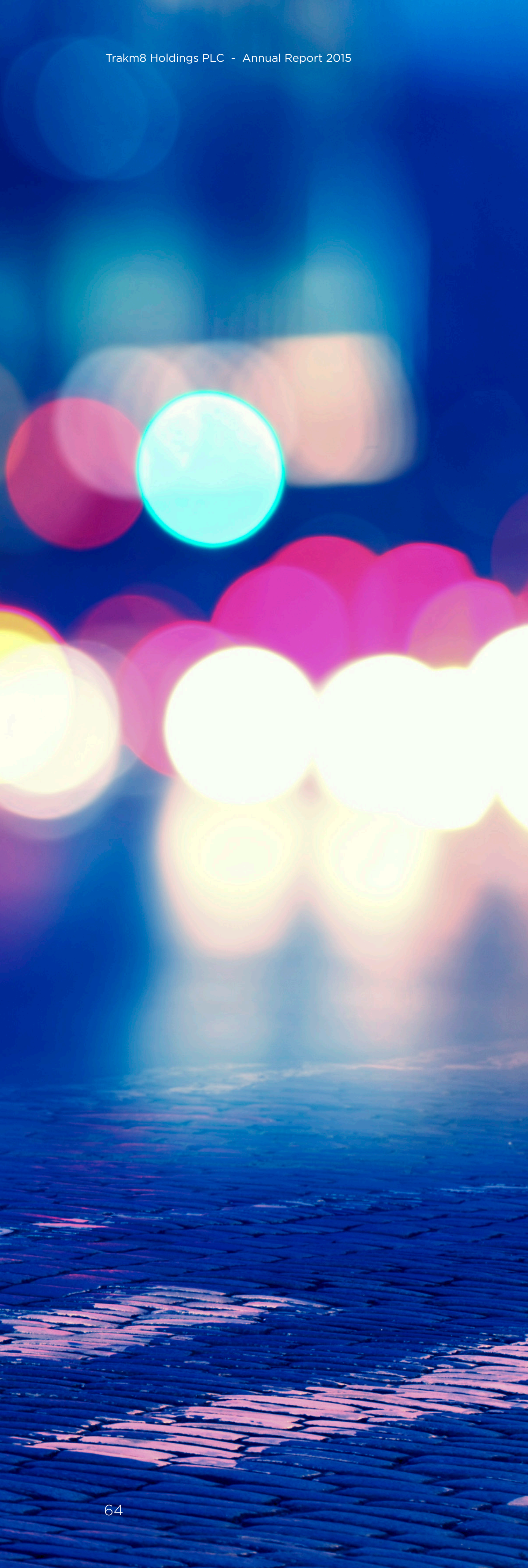
Parent Company
Balance Sheet
As At 31 March 2015

	Notes	2015 £	2014 £
Fixed Assets			
Investments	3	**5,296,148**	**5,021,782**
Current Assets			
Debtors	4	1,539,043	964,235
Cash at bank		103,068	71,591
		1,642,111	**1,035,826**
Creditors: Amounts falling due within one year	5	(632,078)	(539,182)
Net Current Assets		**1,010,033**	**496,644**
Total Assets Less Current Liabilities		6,306,181	5,518,426
Creditors: Amounts falling due after more than one year	6	(2,236,001)	(1,791,675)
Net Assets		**4,070,180**	**3,726,751**
Capital And Reserves			
Called up share capital	7	289,738	288,738
Share premium	8	3,757,400	3,641,561
Treasury reserve	8	(11,625)	-
Profit and loss account	8	34,667	(203,548)
Shareholders' Funds		**4,070,180**	**3,726,751**

These financial statements on pages 63 to 68 were approved by the Directors and authorised for issue on 3 July 2015 and are signed on their behalf by:

J Watkins
Director

J Hedges
Director



Notes To The Parent Company Financial Statements

1. **Accounting Policies**

Basis of Accounting

The financial statements have been prepared on the going concern basis under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Cash Flow Statement

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90% or more of the voting rights are controlled within the group.

Share-based Payments

The grant by the Company of options over its equity instruments to the employees of a subsidiary undertaking in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value of the equity instrument, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity. At each balance sheet date, the Company revises its estimates of the number of options or shares that are expected to vest. The impact of any revision, if any, is recognised as a capital contribution with a corresponding adjustment to reserves.

Financial Instrument
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.

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 at fair value 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. They are then amortised over the period to which they relate.

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.

Related Party Transactions
The Company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" from disclosing transactions with Group companies.

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

The profit after tax for the year in the Company is £12,851 (2014: Loss £373,278).

Audit fees for the Company for the year were £3,000 (2014: £2,500).

Parent Company Financial Statements (continued)

3. Investments

Cost	Subsidiaries £
As at 1 April 2014	5,021,782
Additional cost re acquisition of Box Telematics	5,176
Capital contribution in respect of share based payment	269,190
At 31 March 2015	**5,296,148**

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

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	England and Wales	Ordinary	100%	Dormant

4. Debtors

	2015 £	2014 £
Amounts due from subsidiary undertakings	1,523,892	938,053
Prepayments	15,151	26,182
	1,539,043	**964,235**

5. **Creditors:** Amounts falling due within one year

	2015 £	2014 £
Bank Loan	575,644	499,992
Trade Creditors	24,358	10,253
Accruals and other creditors	32,076	28,937
	632,078	**539,182**

6. **Creditors:** Amounts falling due after more than one year

	2015 £	2014 £
Bank Loan	**2,236,001**	**1,791,675**

The bank loan is repayable as follows:

	2015 £	2014 £
Within one year	575,644	499,992
After one year and within two years	590,005	499,992
After two years and within five years	1,645,996	1,291,683
	2,811,645	**2,291,667**

7. **Called Up Share Capital**
Details of share capital and share options are shown in notes 21 and 22 to the consolidated financial statements above.

8. **Reserves**

	Share Capital £	Share Premium £	Treasury Reserve £	Profit And Loss Reserve £	Total £
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)
At 1 April 2014	**288,738**	**3,641,561**	**-**	**(203,548)**	**3,726,751**
Shares issued	1,000	11,500	-	-	12,500
FRS20 Share based payments reallocation	-	-	-	152,258	152,258
FRS20 charge for year	-	-	-	116,932	116,932
Reclassification of previous Treasury share transactions	-	67,076	(23,250)	(43,826)	-
Sale of own shares	-	37,263	11,625	-	48,888
Profit for the year	-	-	-	12,851	12,851
As at 31 March 2015	**289,738**	**3,757,400**	**(11,625)**	**34,667**	**4,070,180**

Parent Company Financial Statements (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:

Operating Leases	2015 £	2014 £
Motor Vehicles		
Within one year	1,512	4,536
In the second to fifth years inclusive	-	1,512

10. **Guarantee**
The Company has guaranteed the bank borrowings of its subsidiary companies Trakm8 Ltd and BOX Telematics Ltd. During 2014 the term loan from Clydesdale was repaid in full and replaced by a new term loan of £3m with HSBC. The new loan is secured by a fixed and floating charge on all the assets of the Group. It is repayable by monthly instalments until 2018 and bears interest at a floating rate of 1.95% over Base rate.

In addition HSBC granted a new £1m revolving credit facility which is repayable in full at the end of the three year term. The loan bears an interest rate of 1.5% over LIBOR on the drawn amount and a fee of 0.75% on the undrawn facility. As at 31 March 2015 the Group had not drawn down any of this credit facility.

11. **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.

In January 2014 220,000 treasury shares were sold to a key management employee and a further 35,000 treasury shares were sold to the same employee in April 2014. A total of 500,000 share options were granted during the year to three key management employees.

12. **Employees And Directors**
The Directors of the Company were paid by Trakm8 Ltd and BOX Telematics Ltd for their services to the Group. It is not practical to perform any reallocation of these emoluments between individual group companies and therefore no charge has been made to the Company. Total emoluments are disclosed in the financial statements of the Group. The Company had no employees during the year (other than the Directors).

Officers and Advisers for Trakm8 Holdings PLC

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T Cowley
W Duffy
K Evans
J Hedges
S Morris
J Watkins
M Watkins
P Wilson

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J Hedges

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Notes

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