Trakm8 Holdings PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2016

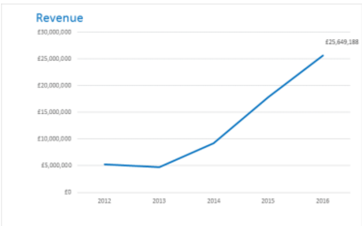
Company Number 05452547

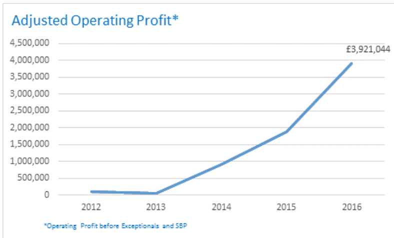
THIS HAS BEEN A REWARDING YEAR FOR THE GROUP WITH REVENUES UP BY 44% AND ADJUSTED OPERATING PROFIT UP BY 109% DESPITE A SIGNIFICANT INCREASE IN OVERHEADS WE INVESTED AS PLANNED IN THE GROWTH OF THE BUSINESS.

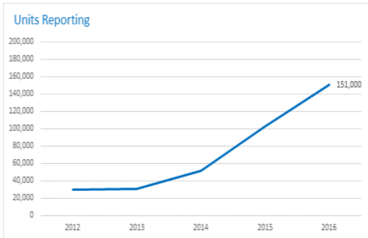
We have achieved strong organic growth, good first time contributions from acquisitions as well as robust cash flow and cash conversion. This strong financial performance is enabling the payment of a proposed maiden dividend.

The Group has had a successful start to the new financial year consistent with its expectations for the year as whole. The latest contract win with Allianz together with our strong pipeline of further opportunities provide additional visibility in our outlook for this year. The Board therefore is confident of a positive outlook for the year as a whole.

John Watkins Executive Chairman







FINANCIAL AND OPERATING HIGHLIGHTS

	2016	2015	Change
Revenues	£25.65m	£17.85m	+44%
Operating profit	£3.11m	£1.76m	+77%
Adjusted operating profit *	£3.92m	£1.88m	+109%
Cash generated from operations	£4.45m	£1.19m	+274%
Profit before tax	£3.00m	£1.70m	+76%
Adjusted earnings per share*	13.44p	6.24p	115%
Basic earnings per share	11.15p	5.84p	+91%
Dividend per share (proposed)	2p	nil	n/a

- Revenues up 44% year on year included:
  - Strong organic growth of 28%
  - First time contributions from the trade and assets of DCS Systems Ltd ("DCS") and Route Monkey Holdings Ltd ("RML") which were acquired in the year
  - Recurring revenues up 49% to £8.31m
- Orders received up 29% year on year (organic basis)
- Net debt+ of £1.09m (2015: net cash £0.60m), following £10.4m acquisition cash spend, £6.0m equity placing and strong cash flow and conversion
- Maiden final dividend of 2 pence per share to be proposed

Operating highlights:

- 151,000 units now reporting to our servers (2015: 102,000)
- Two acquisitions, DCS and RML completed in the year; integrations proceeding to plan. Both are profitable, cash generative and earnings enhancing
- Substantial contract wins for both fleet and insurance customers:
  - during the year: with Iceland Foods, Kubota UK, and the AA
  - post year end: with Scottish Power, BT Fleet, Allianz and Shell
- Significant investment in R&D and sales and marketing resources to drive growth

* Before exceptional costs and share based payments
\+ Total borrowings less cash

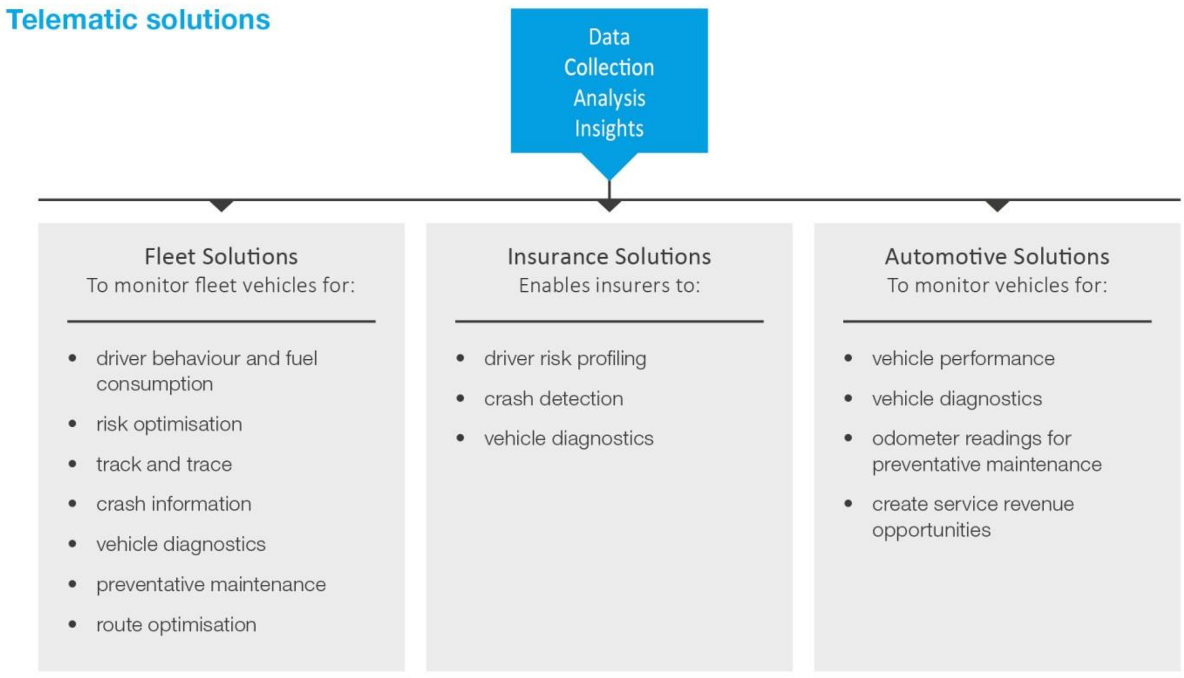
Outlook

- Continuation of a strong order pipeline and increase in sales opportunities
- Good visibility of revenue and cash flow due to recurring revenues and new contract wins

AT A GLANCE

EXPERTS IN DATA COLLECTION AND ANALYSIS

This data is used to derive algorithms to create driver profiles for a variety of uses. These include risk calculation, crash alerts and preventative vehicle maintenance. The data is stored in line with the Group's ISO 27001 accreditation.



PROVIDING FIRST CLASS FLEET MANAGEMENT SOFTWARE

Trakm8's software supplies Fleet Managers with insights into location, driver behaviour and route optimisation which is then used to provide insights as to how fleets can run as efficiently as possible. Trakm8 solutions can impact over 65% of operational costs of a typical commercial fleet.

PREDICT FUTURE EVENTS

Over three billion miles of data collected each year is analysed to help our Insurance customers calculate risk more accurately, and provide our other customers with preventative maintenance for their fleets. Trakm8 uses big data algorithms derived from automotive vehicles to provide its wide customer base with market leading insights on how to promote efficiency and safety when driving.

Solutions

The Group owns almost all of the intellectual property ("IP") used in its solutions. The solutions have been developed for a variety of markets, most notably being Insurance, Fleet Management and Automotive. The developments of the 6th generation of the software (SWIFT) have continued, as well as the development of the next generation user interface and mobile apps.

AT A GLANCE CONTINUED

The Group has invested heavily into its First Notification of Loss application, which has received a positive take up from Insurance customers. This application enables Insurers to be alerted immediately of any incident the vehicle may encounter that results in a collision. The G-Force data, coupled with speed and location, will give the Insurer near real time information regarding the probable severity of the incident.

Trakm8 believe they provide the most comprehensive range of Fleet Management solutions available in the market which has been further strengthened this year by the acquisition of the trade and assets of DCS Systems Limited ("DCS") and the acquisition of Route Monkey Holdings Limited ("Route Monkey"). This has enabled the Group to offer a wide range of services to its customers, which includes route optimisation, electronic proof of delivery features, and soon a camera and telematics integrated device, due for launch later this year.

Products

The majority of our design and development of our hardware is carried out in house with the demand for Trakm8 units from other Telematics Service Providers (TSPs) and Integrators remaining strong. The year 2015/16 has seen a record number of units made for Solution sales, in turn driving down the costs associated with production. The replacement of all older generation Trakm8 products has now been completed which means all of the Group's telematics devices being made in house at the manufacturing plant in Coleshill. This resulted in the Group being awarded a "Made in Britain" accreditation in May 2015.

This year, the product sector includes camera sales from the acquired DCS business, where a wide range of "dash cams" are sold through a variety of well-established retailers such as Halfords online. There have also been significant orders received for the cameras this last year from customers including EuroCarParts and TNT. The HD-2 is also part of Volvo's approved list of accessories, with cameras promoted in many UK showrooms.

2016 saw the launch of the next generation of this product, the RoadHawk HD-2 which encompasses market leading high definition technology, image stabilisation and compatibility with the largest available memory card, allowing up to 64 hours of video recording at full high definition.

Research and development

The Group prides itself in owning almost all of its IP, and this is derived from the heavy investment into improving current products and developing the next generation of new ones. The Group has invested in Engineers, with a 44% increase since last year in our research & development teams. The investment into in-house Engineering along with the in-house manufacturing of telematics devices means the Group is able to work more efficiently through the development chain than many competitors.

The Group still continues to have the smallest self-install telematics device on the market, where there is a team of Engineers already developing the next generation of product. The wider T10 family will soon include units with 4G streaming capabilities, set to be launched at the end of this year.

Investment has also been made into expanding the Advanced Engineering team to include dedicated resource looking at future technologies to integrate into the Trakm8 offering. This aims not only to develop current products, but to expand what the Group can offer to its customers.

KEY STRENGTHS

Ownership of Intellectual Property

By owning the IP in almost all of its solutions, Trakm8 can both develop new variants to suit customers much faster than competitors are able to, as well as make alternations to its supplied services if necessary.

Extensive integration

The Group can integrate with 3rd party systems to offer an attractive proposition to clients who want to continue utilising their own established bespoke systems. This ensures the Group becomes a key partner to a number of suppliers.

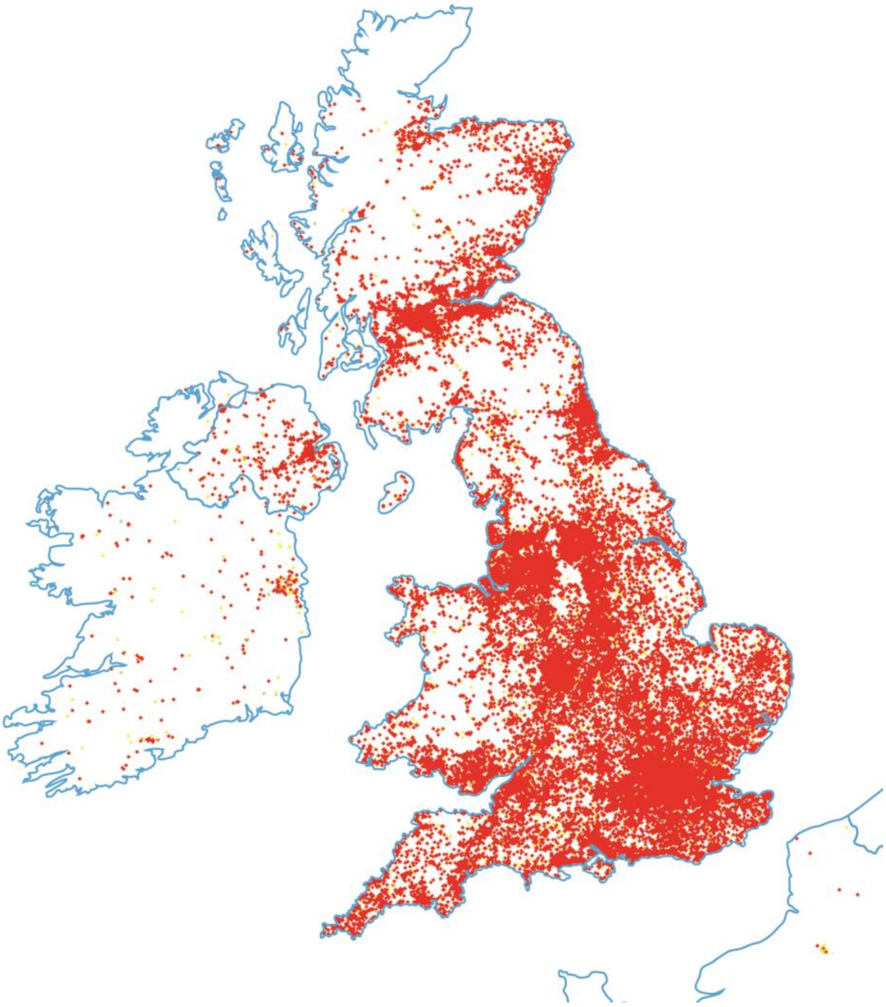
First class insights

Over three billion miles of data collected annually allows the Group to develop leading insights into driver profiling and preventative maintenance. This is the driving force behind customers achieving optimum efficiency either through the calculation of risk or the optimised efficiency of running a fleet. Trakm8 provides these insights in easy to digest formats to avoid "data overload" and give the user driver behaviour improvement coaching.

TRAKM8 USES BIG DATA ALGORITHMS DERIVED FROM AUTOMOTIVE VEHICLES TO PROVIDE ITS WIDE CUSTOMER BASE WITH MARKET LEADING INSIGHTS ON HOW TO PROMOTE EFFICIENCY AND SAFETY WHEN DRIVING.

Map showing users journeys

- Over 151,000 vehicles are installed with a Trakm8 manufactured telematics unit reporting to our servers.
- Information regarding the vehicles' operation is sent via the GSM network via satellite.
- This data is then displayed on a web based user interface or mobile app to show users location of vehicles and driver behaviour.
- The data is also analysed by the in house team of Big Data scientists who use it to further fine tune our algorithms.
- These algorithms give our customers valuable insights in how they can operate vehicles more efficiently and with lower risks.



MARKET OVERVIEW

CREATING TECHNOLOGY & DRIVING MARKET DEVELOPMENT

Trakm8 solutions are developed from the same source of information, but are used in a wide range of applications across a number of markets.

Overall market:

Research from Berg Insight suggests that both the Fleet Management and Insurance markets are at the beginning of growth periods that will last for several years. The number of fleet management systems in use in Europe is forecast to grow at a compound annual growth rate of 15.1% from 4.4 million units at the end of 2014 to 8.9 million units by 2019[1]. In Europe, the UK has the second largest insurance telematics market (after Italy) and the forecast annual compound growth rate is due to meet 42.4%,[2] increasing the amount of policies from 4.8 million at the end of 2014 to 28.1 million at the end of 2019.

Trakm8 and the AA

Trakm8 helped the AA save more than £1 million in fuel across their fleet of 3000 vehicles in the first year alone

Trakm8 and DLG

Trakm8 provide DLG with self install telematics units to monitor the driving behaviour of young drivers, and reward them accordingly.

BUSINESS MODEL

TECHNOLOGY DRIVING MARKET DEVELOPMENT

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.

Trends

The rapid growth in the fleet management market is underpinned by the general quick return of investment of using telematics within company fleets[3]. There is a strong continuing focus on cost efficiency and environmental issues that by using a telematics system such as Trakm8's, provides customers with typically up to 20% savings on fuel bills overnight. Trakm8 Fleet propositions address costs of fuel through driver behaviour change, optimisation, insurance, accident claims, and vehicle maintenance. These costs typically amount to circa 65% of the costs of running a Fleet.

[1] Market research provided by Berg Insight. Fleet Management in Europe, further info available on request
[2] Market research provided by Berg Insight. Insurance Telematics in North America, further info available on request
[3] Market research provided by Berg Insight. Insurance Telematics in North America, further info available on request

Whilst the insurance market is currently dominated by hardwired black boxes, the cost advantages associated the Group's self-install device are not ignored by the major insurance companies such as Direct Line and Marmalade, and the market expects to see significant growth in this area, as well as the use of smartphones in driver profiling. There has been special mention in recent research to the hybrid solution that uses a self-install device for the collection of data which is tethered to a mobile phone for the transfer of data[4] something that the Group has been involved with in North America.

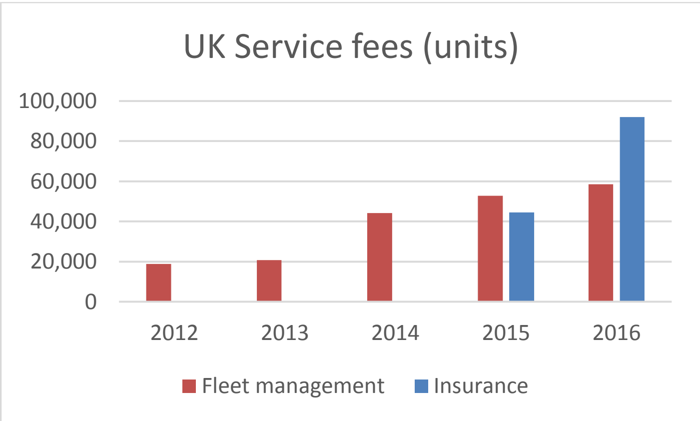
There has been a noticeable uptake in the use of on board forward facing cameras acting as witnesses for commercial and domestic drivers alike. This is widely seen as an expanding market, and Trakm8 are well equipped to meet demand with the RoadHawk dash cam business it acquired through the purchase of assets and trade of DCS. The next generation of this technology will see the integration of the camera with a telematics device.

Key market drivers for Fleet Management
- Fuel prices
- Economic climate
- Growing number of commercial vehicle sales
- Competition to improve efficiency
- Increase in Electric Vehicles

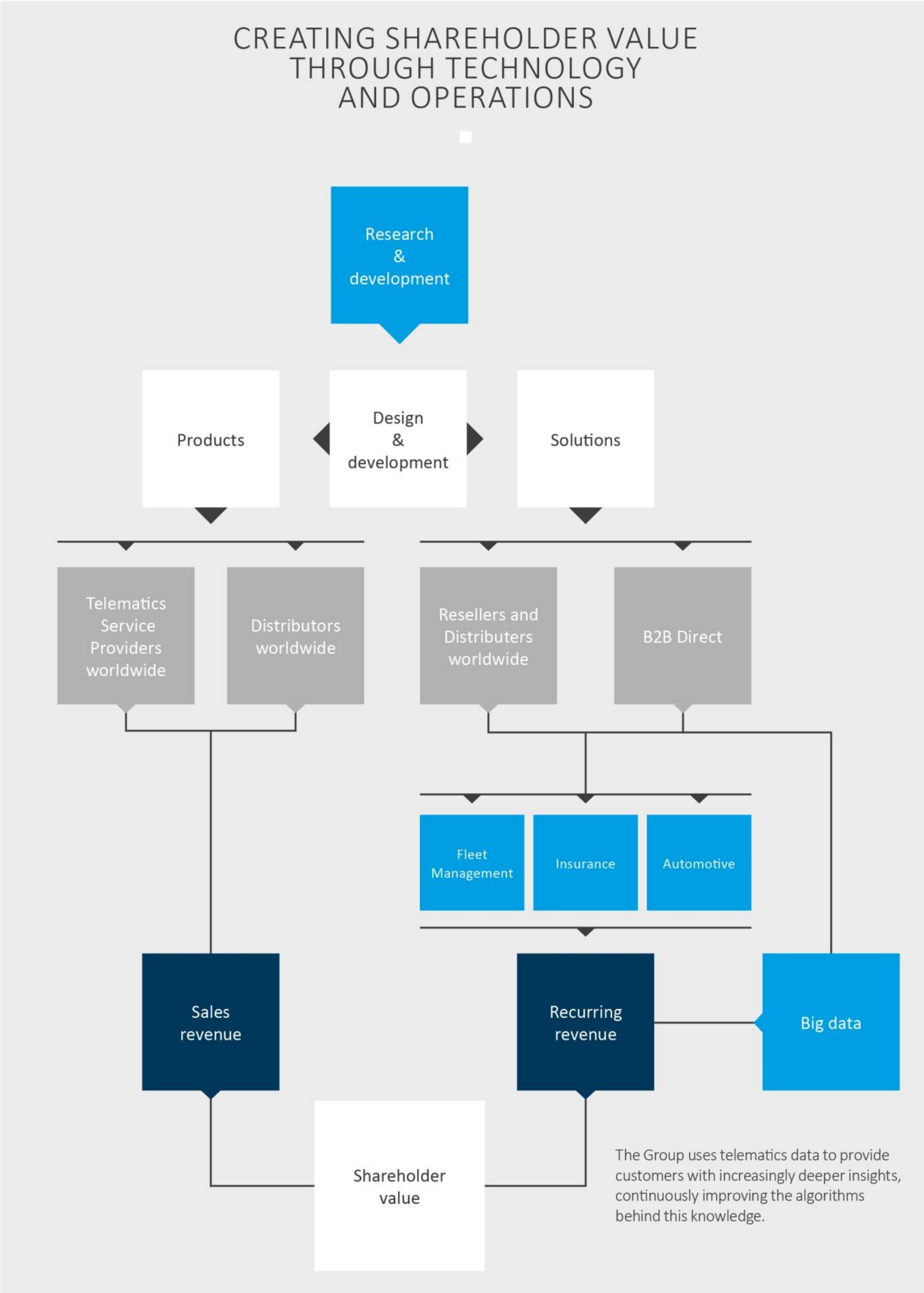
Key Market Drivers for Insurance
- Driver risk scoring
- Usage reports
- First notification of loss
- Vehicle health
- Roadside recovery benefits

Operational review

The total number of vehicles reporting to our servers increased by 48% to 151,000. The largest component of this growth is from insurance policies which this year for the first time exceeded the number of vehicles we have under contract with our fleet management customers.



[4] Market research provided by Berg Insight. Insurance Telematics in North America, further info available on request



CREATING SHAREHOLDER VALUE THROUGH TECHNOLOGY AND OPERATIONS
Research & development
Products
Design & development
Solutions
Telematics Service Providers worldwide
Distributors worldwide
Resellers and Distributers worldwide
B2B Direct
Fleet Management
Insurance
Automotive
Sales revenue
Recurring revenue
Big data
Shareholder value
The Group uses telematics data to provide customers with increasingly deeper insights, continuously improving the algorithms behind this knowledge.

Executive Chairman's Statement

Introduction

I am very pleased to present our results for the year ended 31 March 2016. This has been a rewarding year for the Group with revenues up by 44% to £25.65m and adjusted operating profit up by 109% to £3.92m despite a significant increase in overhead costs as we invested as planned in the future growth of the business. Our profit before tax increased to £3.00m (2015: £1.70m).

Our sales of new fleet management solutions and insurance products have culminated in growth in all areas and provide us with a solid base of recurring revenues from which we can continue to expand. Furthermore the range and breadth of the data we are now able to provide gives us an overwhelming proposition for all the business sectors we touch.

The revenue growth of 44% was made up of organic growth of 28% with the addition of first time contributions from the acquisitions we made during the year. Orders received are also up by 29% like for like.

Trakm8's business model is strongly cash generative now that it is a profitable business and given the robust core of recurring revenues, although this tends to be substantially skewed to the second half due to the timing of contract renewals. This year we have reported cash generation from operating activities of £4.45m (2015: £1.19m), with significantly improved free cashflow conversion*, after capex and capitalised development costs, of 51% (2015: -1%). The improved cash conversion is expected to continue as revenues continue to increase and development spending as a percentage of revenues reduces.

* Free cashflow conversion being net cash from operating activities / adjusted operating profit

Acquisitions

During the financial year we completed two acquisitions. We acquired the trade and assets of DCS Systems Ltd ("DCS") in June 2015 giving us vital knowledge and experience of digital camera systems and included the Dogcam, RoadHawk and Lawmate brands. The purchase consideration was £3.28 million.

In December 2015 we acquired the Route Monkey Group ("RML") which provides routing and scheduling optimisation solutions. The purchase consideration was for a value of £5.04m, together with a deferred consideration of up to a £2.00m maximum. However, despite an earnings enhancing performance and encouraging prospects, it is unlikely that RML will achieve its target to trigger the payment of the deferred consideration (which has therefore not been provided for).

These two acquisitions complement our vehicle telematics solutions and are enabling us to develop the more integrated solutions that our customers are demanding, providing richer and more refined data. The integration of both of these acquisitions is on track and they have been earnings enhancing and cash generative since their acquisition dates.

Solutions

Solutions sales are the core of our telematics offerings and comprise revenues from customers where they pay for service fees in addition to the cost of the hardware, installation and other bespoke services. Sales increased by 57% to £17.21m (2015: £10.98m) and more importantly within this growth our recurring revenues grew by 49% to £8.31m (2015: £5.58m). Growing these service revenues is a key focus as it provides increasing confidence and predictability to future periods. In total we had 151,000 units (2015: 102,000) reporting to our servers at the year end.

Our solutions sales cover both the fleet management and insurance market sectors. The total fleet management units only increased marginally over the year to 58,522 (2015: 57,763) due to the loss of circa 5,000 units from our South African distributor who struggled with the weakness of the rand. Telematics for insurance is a newer market and is currently experiencing high levels of growth. At the year end we had 92,025 insurance solution units reporting to our servers (2015: 44,468). Market forecasts are predicting growth rates in excess of 42% and we have certainly seen an increased level of interest from established insurance businesses. As a result the lifetime cost of an installed unit has dropped significantly over the last couple of years with a growing appetite from customers for richer data.

We have invested in our First Notification of Loss ("FNOL") algorithms and are now able to identify the majority of crashes – particularly at speeds below 40 mph which are notoriously difficult to detect. According to the US National Highway Traffic Safety Administration in excess 90% of insurance claims are due to driver error and the ability to offer black box data in conjunction with video footage of events leading up to an accident is proving to be a powerful driver to enable insurance companies to reduce the cost and management of policyholder's claims

We have accelerated the development of our Fleet management solutions and believe we offer one of the widest ranges of solutions available in addition to camera and optimisation capabilities. We are now able to download and report on vehicle diagnostic data from in excess of 95% of all vehicles since 2006 and this is providing valuable information in particular for fleet managers and our road side assistance customers. New contracts won during the year included Bibby Distribution and Kubota together with the contract extension we announced last December with the AA whereby our telematics solutions will be offered to the AA business customers. We were also delighted that Route Monkey secured a three year contract extension with Iceland for their optimisation software.

In addition since the year end we have announced a new contract with Scottish Power to provide our telematics solution with driver feedback devices to 1,600 vehicles and a contract with BT Fleet to market our telematics solutions to their business customers. We have also secured a 12 month contract extension from Shell, which has been Route Monkey's largest customer in recent years. Furthermore, we have been awarded two initial contracts by Allianz, the global insurance company, to supply devices with specifically developed software to Allianz's Global Telematics business. The initial supply contract comes with a launch order of 5,000 devices to start the pipe filling for Allianz Insurance telematics in China.

Products

Product sales are the sales of our hardware mainly to other telematics service providers and integrators. In addition the sales of the DCS camera products are now included together with the revenues from our contract electronic manufacturing facility in Coleshill, Birmingham. Total product revenues increased by 23% to £8.44m (2015: £6.87m) with £1.85m of this growth being accounted for by sales of camera products. Organic product sales reduced by £0.30m as we continue to focus on solutions sales to our own customers rather than lower margin product sales to third parties.

Reflecting this strategy, during the year our manufacturing facility made in excess of 138,000 telematics units and it is anticipated this growth will continue. Manufacturing our own telematics units gives the Group a lower overall unit cost together with a much shorter time to market for introducing new products. For example after only two years of marketing the smallest self fit telematics device, we are now developing our 4th version as we continue to refine the product and enhance the insights that can be gained from the richness of the data.

Research and Development

We operate in a competitive market where hardware costs are reducing, along with the costs of sending data over the mobile networks. At the same time customers are becoming increasingly aware of the variety and volumes of data that can be made available from telematics solutions and this is driving the market towards providing "more for less". We also exist in a fragmented market where there are many competitors with few barriers to entry. Trakm8 has always focussed on owning the intellectual property ("IP") we use in our products and solutions and we see this as one of our key competitive advantages. Telematics systems are complex but because we own all the elements that encompass a solution (with the exception of the mobile networks) we have the ability to understand and resolve problems more easily than our competitors.

The Group has invested in a 44% increase in the average number of Engineers in our research & development teams to 59 (2015: 41) during the year. We have rolled out our battery health monitoring algorithm and submitted an associated patent application. Our self fit telematics device continues to be the smallest on the market and is now auto-configurable when plugged into a new vehicle. We have also reduced the time our installers require to fit our fixed wired devices. Our hosting architecture has also been developed so that we can now manage much larger quantities of devices using Amazon Web Services.

We have continued to enhance our algorithms for the risk scoring of drivers for insurance companies so that their premiums can be more accurately calculated to match the level of risk. Our acquisition of the DCS assets in June 2015 has given us a valuable insight into dash cams and later this year we will be launching an integrated telematics and camera product. This will enable users to receive an instant summary of events leading up to a crash incident including visual data from the camera and vehicle data from our telematics unit.

During the year the Group initiated a data security audit by a third party to understand the strengths and weaknesses in our system for collecting, transferring, storing and presenting the growing volumes of data we are now managing. Data security is very important to us and to all of our customers and we were pleased to gain accreditation with ISO 27001 – the standard for Information Security Management.

Board Changes

During the year we made significant changes to our Board reflecting the need to strengthen and focus it as a result of our strong growth. First, Bill Duffy joined as an additional independent Non-Executive Director. Bill Duffy 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 12 months.

In addition Trakm8 appointed two of its executives to be Directors of the Group: Sean Morris, as Group Engineering Director and Mark Watkins as Group Operations Director. Sean Morris joined the Group following senior engineering positions at Continental UK, RAC and Aston Martin. Mark Watkins joined the Group following a successful career in IT and operations at Continental UK and Ford Motor Co.

Paul Wilson resigned from the Board in December but remains a senior executive of the Group and we wish to thank him for his contribution over the past six years. He is now concentrating his efforts on supporting the AA Fleet Intelligence reseller opportunity.

Advisers

We were pleased to announce in April 2016 the appointment of JP Morgan Cazenove as financial adviser to the Company. finnCap remain the Company's Broker and Nominated Adviser. This appointment reflected the Board's belief that it is appropriate to broaden its advisory relationships given the evolution of the business and the telematics industry as a whole and to help us take the next steps in the Company's development.

Dividend

In April 2016 we announced that the Board had considered the payment of a dividend in light of the Group's strong financial performance and its confidence in Trakm8's prospects. As a consequence the Board is proposing to pay a maiden dividend of 2 pence per share subject to shareholder approval at our Annual General Meeting in September 2016.

People

The number of people we employ has grown rapidly as we have continued to invest strongly in our customer service, sales and marketing and engineering teams. In total our organic staff numbers have grown by 24% over the year and in addition we have welcomed 24 new colleagues from the DCS and Route Monkey acquisitions. It has been a demanding year as the Group has experienced rapid growth and I would like to thank everyone for their hard work, dedication and contribution to the ongoing success of the business

Outlook

The Group has had a successful start to the new financial year consistent with its expectations for the year as whole. The first two months have continued with the strong organic growth of previous years with orders received 57% greater than the corresponding period last year (organic 44%). Following the high level of investment in the business last year, we anticipate costs growing more slowly this year. We will also benefit from full year contributions from our two recent acquisitions.

The referendum decision to leave the European Union will inevitably lead to uncertainty both politically and commercially for some time. Uncertainty is always unwelcome and may lead to potential customers choosing to delay their investment decisions until the outlook becomes clearer. In addition recent currency movements may lead to additional costs for many of our components which are not priced in sterling but equally our solutions will become more attractive to overseas customers.

We have also recently announced two contracts with Allianz, the global insurance company to provide the next generation of our self fit telematics device together with the development of specific software to meet their requirements. These important contracts together with our strong pipeline of further opportunities provide additional visibility in our outlook for this year.

Therefore the Board remains optimistic of a positive outlook for the year as a whole.

John Watkins
EXECUTIVE CHAIRMAN

Strategic Goal

OUR GOAL IS TO USE RICH DATA DERIVED FROM TELEMATICS TO GIVE OUR CUSTOMERS DEEPER INSIGHTS INTO THE OPERATION OF THEIR BUSINESS. WE ARE A DATA COMPANY WITH OUR PRIMARY FOCUS ON THE FLEET MANAGEMENT AND INSURANCE MARKETS. WE WILL CONTINUE TO DEVELOP OUR OWN HARDWARE AND SOFTWARE SOLUTIONS IN ORDER TO MAXIMISE THE BENEFITS THAT COMPLEX TELEMATICS SYSTEMS CAN PROVIDE.

Our main objective is to grow our recurring revenues from the provision of value added data services from our telematics solutions. These revenues are the bedrock of what we do and give us confidence to continue to invest in our expanding portfolio of solutions.

We will continue to invest and develop our telematics products to provide world class products. We believe we have one of the most experienced teams of automotive engineers working for any telematics company and are therefore best placed to drive the quality of data that can be captured from all types of makes and models of vehicles.

We intend to continue to own the Intellectual Property in our solutions as we are confident this gives us the best platform to develop new products and also to provide the best service to our customers.

We will continue to focus on the Insurance, Fleet management and Automotive markets. The demand from insurance companies is expected to grow in excess of 42% and our objective is to satisfy this demand by offering low cost self fit devices, dashboard cameras together with our sophisticated driver risk profiling algorithms. In addition the Fleet management market is still growing at 15% per annum and we now offer additional rich diagnostic data and route optimisation and scheduling.

We have recently launched Trakm8prime which is a low cost tracking solution for small fleets with no upfront hardware or installation costs. When we launched Swift ten years ago it was initially aimed at small fleets and with Trakm8prime we intend to capture a bigger share of this market having eliminated the requirement for upfront costs and long term contract periods

THE INTRODUCTION OF TELEMATICS TO MONITOR DRIVING AND IDLING AMONGST THE AA'S 3,000 PATROL VEHICLES SAVED £1 MILLION IN THE FIRST YEAR ALONE

Stat: Savings in first 12 months: £1m

Quote: The introduction of telematics to monitor driving and idling amongst the AA's 3,000 patrol vehicles saved £1 million in the first year alone. These are hard figures and excellent savings. We are now continuing to work together on pioneering solutions which will see the cost saving benefits of driver behaviour monitoring and preventative maintenance passed onto our own customers

Chris Bailey, Motoring Innovation Director

How we helped:
Trakm8 have worked alongside the AA for over 6 years, providing driver behaviour monitoring and vehicle tracking for their 3,000 roadside assistance and recovery vehicles; helping to deliver substantial savings on fuel expenditure. Ground-breaking diagnostic algorithms, including a highly accurate battery monitoring tool, are now assisting the AA's customers to improve the overall efficiency of their fleet, whilst keeping downtime to a minimum. Through the joint development of intuitive web and mobile apps, the AA's fleet vehicles, personal members and business customers are able to access in depth reports on costly driving styles and maintenance prognostics.

Direct Line Case study

STAT: Around 50% of under 25's take up a telematics policy over the phone.

QUOTE: "Our ability to monitor driving behaviour styles through telematics has enabled us to provide discounts to our policyholders."

Intro: "The use of telematics technology gives us a fantastic opportunity to learn more about the driving habits of our policy holders and the risk they pose which then enables us to provide comparative quotes. Our ability to monitor driving behaviour styles has enabled us to provide significant discounts to our policyholders, in particular to those who are under the age of 24."

Paul Felton, Head of Telematics, Direct Line Group

How we helped: Trakm8 provide telematics hardware, data services, and relevant support to Direct Line Group whose brands include; Direct Line, Privilege, Churchill, and Green Flag. Our self-install units collect driving behaviour, vehicle health, and journey data to assist in the calculation risk, the identification of potential accidents, and the technical problems associated with general vehicle health. Deriving value from the data has enabled Direct Ling Group to provide discounts on insurance premiums by 40% and empower its customers with meaningful insight into their Vehicle Health for a improved roadside recovery experience.

Financial Review

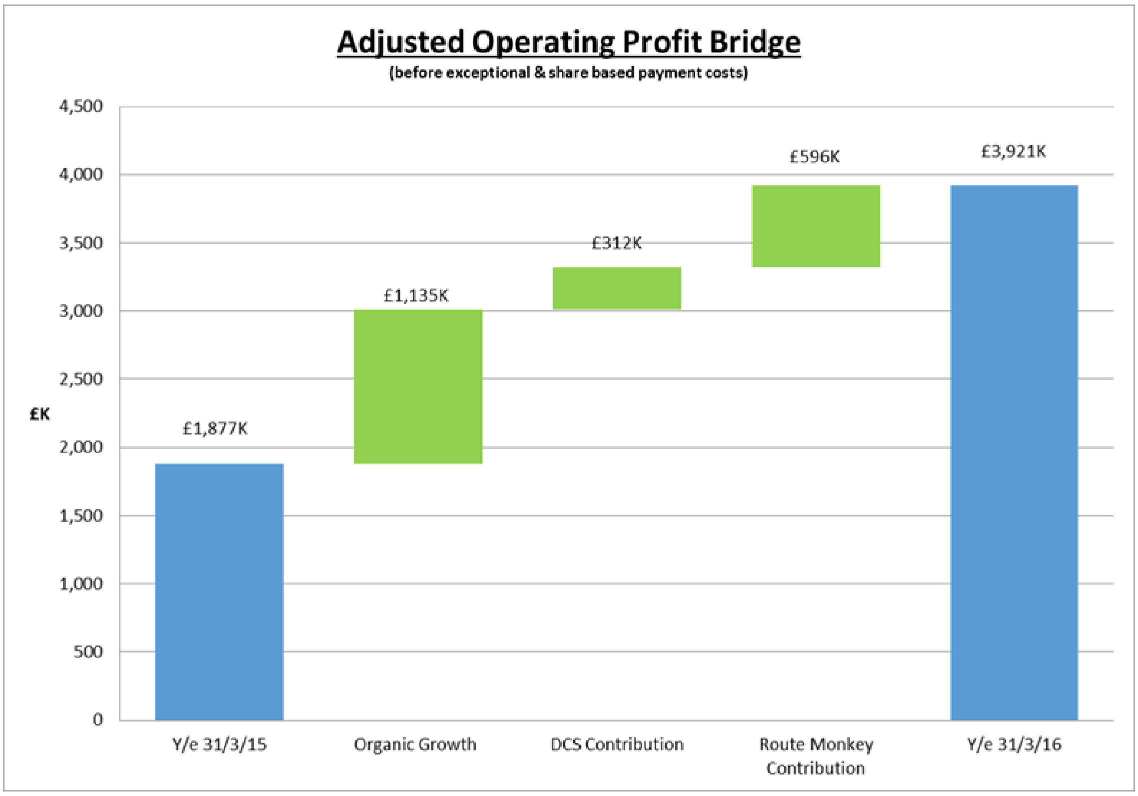
Trading Results

Revenues for the year were up by 44% at £25.65m (2015: £17.85m). Organic growth was 28% and this was supplemented by a £1.85m contribution from our acquisition of the DCS assets in June 2015 and a further £0.86m from the acquisition of Route Monkey at the end of December 2015. Sales of digital cameras have performed broadly in line with our expectations and Route Monkey revenues benefited from the contract renewal with Iceland in January 2016. Particularly pleasing was the 49% increase in our recurring revenues to £8.31m (2015: £5.58m). Our recurring revenues are reported as fees from service and data feeds only and do not include any amortised hardware costs for contracts which have been offered at a fixed monthly fee for a specific term.

Our gross margin percentage increased by 3.1% to 48.3% (2015: 45.2%). We would anticipate our gross margin percentage to increase in future years as the proportion of our recurring revenues increases and as we concentrate our manufacturing facility on making a more focussed range of products. This however will be tempered by the increasing price pressure that exists in the telematics market towards lower cost hardware and richer data. Trakm8 is strongly placed to manage these demands through owning almost all of the intellectual property in its telematics solutions.

Adjusted Operating Profit

One of our key performance indicators is Adjusted Operating Profit (Operating Profit before exceptional costs and share based payments). The growth in our Adjusted Operating Profit was 109% to £3.92m (2015: £1.88m) and the bridge chart below shows how this growth was achieved.



Overheads

Our overheads before exceptional costs increased by 39% to £8.76m (2015: £6.30m) reflecting a significant ramp up in expensed research and development, customer service, sales and marketing activities during the year. This led to a substantial increase in our average staff numbers over the year from 157 in 2014/15 to 224 in 2015/16. In total 24 staff members joined us as a result of the acquisitions of DCS and RML. The increase in our investment in new products and research and development over the year resulted in the capitalisation of development costs of £1.85m (2015: £0.86m) and the expensing of £1.00m (2015: £0.35m) in line with the accounting standards.

Exceptional costs

Exceptional costs consist of acquisition costs and integration costs. The acquisition costs related to the purchase of the trade and assets of DCS in June 2015 and 100% of the share capital of RML in December 2015. The integration costs related to the reorganisation of management and integration of business systems and processes following the acquisitions. These costs have been included as part of Administration costs.

Profit before tax

Profit before tax has increased by 76% to £3.00m (2015: £1.70m). The tax credit for the year is £0.34m (2015: tax charge £0.00m). Profit before tax includes exceptional costs of £0.6m (2015: nil) which incurred in relation to the acquisition and integration costs of the trade and assets of DCS and RML.

The Group has tax losses of £6.32m to utilise in future periods.

Earnings per share

Basic earnings per share increased by 91% to 11.15 pence (2015: 5.84 pence). Our adjusted earnings per share which is before exceptional costs and share based payments, increased by 115% to 13.44 pence (2015: 6.24 pence).

Balance Sheet, Financing and Cash Flow

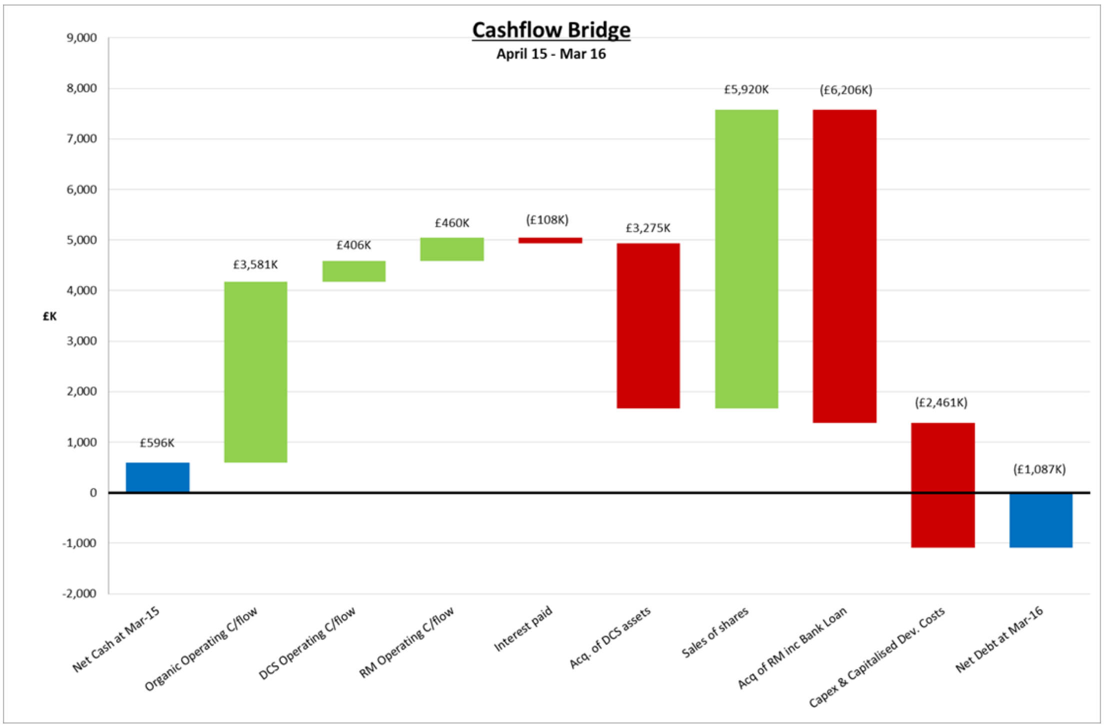
Our intangible non current assets grew by £10.34m as a result of the two acquisitions we completed during the year together with our increased investment in development costs. Goodwill arising from the DCS acquisition was £2.18m with a further £0.32m intangibles relating to acquired development costs. The acquisition of Route Monkey created £5.59m of goodwill and in addition we acquired £0.98m of algorithms and related software.

A new five year bank facility was taken out with HSBC in December to replace existing facilities and to complete the acquisition of Route Monkey. In addition a new £5m revolving credit facility was granted by HSBC and this facility has yet to be drawn down.

In addition to this facility, to fund the Route Monkey acquisition 1,801,802 new ordinary shares were placed with institutional investors at a price of 333 pence, to raise £6m. 184,441 new ordinary shares were also issued as part of the consideration to the senior management shareholders of Route Monkey.

Total cash generated from operations during the year was an excellent £4.45m (2015: £1.19m) representing 114% of adjusted operating profit (2015: 63%). Free cashflow conversion, after capex and capitalised development costs, was 51% (2015: -1%). As a result we ended the year with total cash of £3.87m set against total borrowings of £4.96m, giving overall a net debt of £1.09m (2015: net cash £0.60m).

The bridge graph below shows a summary of our net cash movements over the year:-



Key Performance Indicators

The Board monitors the following KPIs to ensure the objectives of the Group are being achieved:-

	2016	2015
1. Adjusted Operating Profit (£m)	£3.92m	£1.88m
Adjusted Operating Profit (before exceptional costs and share based payments). The Group is pleased to note the 105% increase over the year. Furthermore with a full year contribution from our DCS and Route monkey acquisitions we expect further growth in 2016/17.		
2. Gross Margin %	48.3%	45.2%
Our margin increased by 3.1% compared to last year helped by the increase in our recurring revenues.		
3. Invoiced units – Insurance	92,025	44,468
Units being invoiced for the insurance market demand more than doubled in the year. The service fees per unit are lower than those in the fleet management sector but the market is growing much faster.		
4. Invoiced units – Fleet Management	58,522	57,763
The total number of units under Fleet management only increased marginally over the year. However our South African distributor has been struggling from the weakness of the rand and this accounted for the loss of nearly 5,000 units. Excluding South Africa our invoiced units increased by 10.8%.		
5. Recurring revenues (£m)	£8.31m	£5.58m
Total recurring revenues earned during the year increased by 49% to £8.31m driven by the increased numbers of units reporting to our servers.		
6. Cash generated from Operating activities (£m)	£4.45m	£1.19m
Our cash generation over the year was very strong at £4.45m driven by the strong increase in Operating profits.		
7. Adjusted Operating Profit conversion to cash:		
Cashflow conversion	114%	63%
Free cashflow conversion (after capex and capitalised development costs)	51%	-1%
These measures demonstrate the improvement in the Group's ability to convert Adjusted Operating profits into cash.		

CORPORATE SOCIAL RESPONSIBILITY

Trakm8 understands that it has a responsibility to understand and meet the needs of all the stakeholders involved in the business, including suppliers, customers, employees and shareholders. Through interaction with these parties, the Group endeavours to have a positive impact on both society and the environment whilst achieving our commercial objectives.

The Audit and Risk Committee annually review the Risk Register to ensure Corporate and Social Responsibility is integral to the way the business is run.

People

Recruitment, development and retention

Employees are recruited by the in-house recruitment specialist who understands the fast paced environment that Trakm8 operates in. The Group provides interesting and varied work to its employees with a strong emphasis on the development of its people and gradually increasing responsibility of roles if desired by employees. The benefits provided by the company match that of comparative organisations in this sector.

Managers are encouraged to have regular one to one meetings with their teams to ensure employees are satisfied in their field of work. Such a diverse business spreading across a number of sectors enables Trakm8 to support its employees through a number of different career paths, such as customer service, sales, marketing or engineering.

Employees are encouraged to apply for internal vacancies and many staff have developed from junior roles progressing to a Senior Management position.

Long serving employees are rewarded with additional annual leave allowances, whilst those who are deemed exceptional receive share options that can be exercised between three and ten years after issue.

Communication

Employees receive a monthly communication from the Executive Chairman that provides information about order entry against budget, significant changes to staffing and the results of the exceptional employee of the month award. Employees are nominated for this award by their colleagues or managers and receive a £250 bonus in their pay for demonstrating commitment and performance beyond the day to day demands of their role.

Employee Share Scheme

This financial year saw the introduction of a company-wide share save scheme run by the Yorkshire Building Society. Share Options were granted at £1.83 and are subject to normal CGT taxation limits.

Environment

Trakm8's solutions are in themselves designed to positively impact the environment through lower fuel costs, lower accident rates, fewer vehicles to undertake the same service delivery and lower costs of maintenance. Trakm8 estimates it has helped its customers save over 59,000 tonnes of CO_2 in the past year.

As part of our ISO14001:2004 certificate renewal, Trakm8 took the opportunity to transition from individual company accreditations to a single, Group-wide accreditation. This reflects the continued efforts to integrate and centralise Group operations with a single Management System deployed across the whole Group. We expect to complete the transition to ISO14001:2015 accreditation during the next 12 months.

Following the acquisition of the DCS Systems' business in Bodmin, a full environmental aspects and impacts review was conducted and the necessary controls and processes put in place. This resulted in the successful inclusion of the Bodmin site under the Group ISO environmental accreditation.

The Group also holds the ISO 18001 accreditation for Occupational Health and Safety.

Examples of environmental improvements over last 12 months / coming 12 months:

The Group has continued to monitor fuel and natural resource usage, including the company fleet vehicles with a view to targeting reductions wherever possible. This monitoring also included a full review of chemical usage within the Group to rationalise and reduce the number of chemicals used within our products and processes. Examples include the replacement of rosin based solder with a safer, non-rosin based alternative helping to reduce overall environmental impact and improve the working conditions of our employees. The Group is also updating all lighting to LED at the head office in Shaftesbury.

The Group relocated several compressor units at the Coleshill manufacturing site to improve the working environment through a reduction of background noise levels.

During the next 12 months, there will be a project to reduce the amount of fluorinated greenhouse gases (F-Gas) used through a replacement of the air conditioning system at our Coleshill site. This will have the added benefit of providing our staff with a much enhanced working environment.

The Group continues our measurement of fuel and natural resource usage to drive further improvements in environmental performance.

Risk Management Framework & Principal Risks & Uncertainties

The Board takes overall responsibility for risk management, determining the nature and extent of the principal risks it is willing to take in achieving Trakm8's strategic objectives and overseeing the Group's risk governance structure and internal control framework.

During the year to March 2016, the Board has carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. This report summarises those risks and how they are being managed or mitigated.

The Board has delegated responsibility for reviewing and ensuring the effectiveness of the risk management process to the Executive Chairman and the senior management team. The Group Risk Register is subject to a detailed review and discussion by this group including discussion of risks which may not have been identified through the normal channels. This group identifies all the key risks to the business and ensures our elimination and mitigation processes are robust and up to date to minimise any potential impact. Risk identification is embedded in other processes, including product development, contract approvals and other operational activities. Trakm8's corporate strategy is designed to optimise our business model and accept risk, with the required controls on an informed basis.

The Board reviews the output of this process.

To enable value to be created for our shareholders, we set varying risk tolerances and associated criteria. We accept risk and manage our risk environment on the following basis:

- Strategic – medium to low tolerance for risks arising from poor business decisions or sub-standard execution of business objectives.
- Operational – low to near-zero tolerance for risks arising from business processes including the technical, quality, and project management or organisational risk associated with programmes and products.
- Corporate – low to near-zero tolerance for compliance and reputational risks including those related to the law, health, safety and the environment.
- Financial – zero tolerance for financial risks including failure to provide adequate liquidity to meet our obligations and manage currency, interest rate and credit risks.

No	Risk description	Potential impact	Mitigating action
1	Significant operational system failure	Reputational impact Deterioration in customer relations Liability claims Reduction in revenues, profitability and cash generation	Our strategy is to move our operational systems into the Cloud. Our systems are both within the Cloud and within a traditional data centre environment. *Non Cloud based services:* We provide no single point of failure. Diversity of datacentres from separate suppliers and replication of data between data centres. Daily point in time backups are taken offsite. *Cloud based*: This 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.

No	Risk description	Potential impact	Mitigating action
2	Attracting, maintaining and motivating highly skilled engineers and developers	Loss of key personnel Potential business disruption Breakdown of communication and misalignment	We provide interesting work within a growing business and maintaining this is key to employee retention. We continue to improve the working environment and have engaged with our staff to incorporate their ideas. Key tasks and background knowledge of our bespoke systems have been spread across a larger pool of individuals to mitigate the risk of any loss from a key individual leaving the business.
3	Competitors taking an increasing market share due to our failure to develop our products	Decelerating sales growth affecting operating profit Delay in achieving projected revenues	We have a senior leadership team and an expanded breadth and depth of the product and planning functions with strong innovation skills. We believe we have the resources and innovation to stay in the forefront of technology.
4	A deterioration in the economic climate	Decelerating sales growth affecting operating profit	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	Reputational impact Deterioration in customer relations Reduction in revenues, profitability and cash generation	1) We use a mix of mobile network suppliers, so in the event of a mobile outage all of the installed service base would not be affected. 2) We 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) We rely 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).
7	Cyber attack and data security	Reputational impact Deterioration in customer relations Liability claims	We commissioned a third party audit of our data security and are carrying out their recommendations. We are also accredited for ISO27001 – Information Security
8	Access to finance and debt	Constrained sales growth affecting operating profit Delays in investing in new products and services	We have been conservative in raising debt finance and 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.
9	Brexit	Delays in new orders / cost increases	We will closely monitor our sales pipeline for delays in investment decisions together with the impact of exchange rate fluctuations on component costs resulting from the increased market uncertainties.

By order of the Board

James Hedges
Company Secretary
8 July 2016

The Board of Directors

John Watkins: Executive Chairman

John Watkins has a Master's Degree in Engineering Science from Oxford University and considerable engineering and international sales experience. He has been a Director of several Public companies, Managing Director of a wide range of private and subsidiaries/divisions of public companies and Chairman of two very successful private equity back private companies that exited with significantly better than average IRRs.

Bill Duffy: Non Executive

Bill Duffy started working with the company in April 2014 supporting our business and strategy development as a Consultant and joined the Board in July 2015.

Bill Duffy also runs his own consultancy business and is a Director of eConnect Cars Limited a pioneering electric car company. He was formerly CEO of Andrew Page Limited and CEO of Halfords Autocentres Limited. He has extensive strategic and operational capability in the automotive sector and successful private equity experience.

Keith Evans : Non Executive

Keith Evans is a former partner for over 25 years at Pricewaterhouse Coopers with very extensive experience of commercial and financial roles having worked with companies operating in the financial services, automotive and information technology sectors.

James Hedges: Financial Director

James Hedges was appointed Finance Director in 2008. James is an engineering graduate who qualified as a chartered accountant with KMG Thompson McLintock (now KPMG) in 1983. He has since gained extensive experience in a variety of different industries. He has worked in venture capital, property, on Private Finance Initiatives as well as for a number of technology companies. He was non executive director of System C Healthcare for 10 years before it floated on AIM.

Mark Watkins: Group Operations Director

Mark Watkins has a Master's Engineering degree and worked for Ford Motor Co in the group IT team. He has previously held positions in IT and Operations having been Head of Manufacturing Operations at Continental UK for several years. In 2014 he joined Trakm8 Holdings as Managing Director of BOX Telematics following its' acquisition is now Group COO responsible for all operational matters.

Matt Cowley: Big Data Director

One of founders of Trakm8 along with his brother Tim Cowley, Matt Cowley is a highly experienced software Engineering Director with over twenty five years' experience within the Telematics and Telecommunications industry. Matt Cowley now leads the in house Big Data team and is passionate about algorithms, machine learning, computer vision and data science.

Sean Morris: Group Engineering Director

Sean Morris has more than thirty years' experience in automotive electrical and electronic engineering and joined Trakm8 in 2014. As Group Engineering Director, he has responsibility for all engineering across the group and has previously held senior engineering positions at BMW, Honda, Land Rover and was Chief Engineer Electrical & Electronics, of Aston Martin.

Tim Cowley: Group Strategy Director

Tim Cowley has 30 years' experience in Engineering & Technology sector. After graduating with a degree in Electronics Engineering in 1988 from Brunel University, Tim Cowley was awarded a prestigious Michael Cobham scholarship, and stayed with the Cobham Group for eleven years.
Alongside his brother Matt Cowley, he founded Trakm8 is 2002 and is now responsible for the Group Product Strategy and the Advanced Engineering function, as well as overseeing the acquired DCS business.

Board of Directors and Committees

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 and 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.

During the year three new Directors were appointed to the Board on the 1st July 2015 to enhance its corporate governance and ensure the management team implement the Group's growth plans and integrate acquisitions successfully. Bill Duffy has joined as an independent non-executive Director together with Sean Morris (Group Engineering Director) and Mark Watkins (Managing Director of BOX Telematics). Paul Wilson resigned from the Board on the 15 December 2015 to take up a new role within the Group relating to our contract extension with the AA.

The Board has operated Audit and Risk, Remuneration and Nomination Committees throughout the period. 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; Remuneration Committee, two non-executive Directors and the Executive Chairman, Audit and Risk Committee and Nomination Committee one non-executive Director and the Executive Chairman .

For the financial year ended 31 March 2016 the Directors' attendance at Board and Committee meetings has been as follows:

Type	Board	Audit and Risk	Nomination	Remuneration
Total Held in period	16	1	1	2
Keith Evans	14	1	1	2
Matt Cowley	16	-	-	-
Tim Cowley	16	-	-	-
James Hedges	16	-	-	-
John Watkins	16	1	1	2
Paul Wilson [2]	12	-	-	-
Bill Duffy[1]	12	-	-	2
Sean Morris[1]	13	-	-	-
Mark Watkins[1]	12	-	-	-

[1] Appointed 1 July 2015

[2] Resigned 15 December 2015

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 Duffy has considerable commercial experience having been CEO of Andrew Page, Halfords Autocentres and a number of other leading automotive aftermarket companies.
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 Morris joined the Group in 2014 following senior engineering positions at Continental UK, RAC and Aston Martin. Mark Watkins also joined in 2014 as the Managing Director of BOX Telematics following a successful career in IT and operations at Continental UK and Ford Motor Co.

Audit and Risk Committee

The Audit and Risk 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.
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 and Risk committee included revenue recognition, impairment review of goodwill acquired, fair value of acquired intangibles in business combinations, recognition of contingent consideration and capitalisation of development costs.

Remuneration Committee

The Remuneration Committee's terms of reference include making recommendations on Directors' compensation packages to ensure that the Group 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 and employees 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. The Executive Chairman and the Finance Director meet investors immediately after publication of the annual and interim results, at the Annual General Meeting and on an ongoing basis as required throughout the year. In addition we provided a number of shareholders update presentations and the intention is to continue this programme during the current financial year.

By order of the Board

James Hedges
Company Secretary
8 July 2016

DIRECTORS' REPORT

The Directors submit their Directors' Report and the audited financial statements of the Group for the year ended 31 March 2016.

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 and plant 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 27.

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. The Group currently has an unused revolving bank credit facility of £5m.

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 and cash 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. The risk associated with our cash reserves is closely monitored and deposits are only placed with banks that have suitable external credit ratings.

RESULTS AND DIVIDENDS

The Group results for the year ended 31 March 2016 are shown in the Consolidated Statement of Comprehensive Income on page 36. The Directors recommend the payment of a final dividend of 2.0p per ordinary 1p share (2015: 0.0p), to be paid on 13 September 2016 to those members on the register at close of business on 26 August 2016.

RESEARCH AND DEVELOPMENT

The Group has continued to expand the investment in research and development to ensure the future success of the business. During the year we capitalised development costs of £1,852,639 and a further £1,002,096 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. Further details about the Group's approach to R&D can be found in the Strategic Report on page 12.

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

Consideration on the future developments and exciting prospects of the Group, has been made in the Executive Chairman's Statement in the Strategic Report. The Group expects to expand the fleet management and insurance solutions with the integration of camera and route optimisation 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 based on our strict criteria of increasing recurring revenues and being cash generative.

DIRECTORS

The Directors of the company who were in office during the year and up to the date of signing the financial statements unless otherwise stated were:

John Watkins	
Keith Evans	
Bill Duffy	Appointed on 1 July 2015
Matthew Cowley	
Tim Cowley	
James Hedges	
Sean Morris	Appointed on 1 July 2015
Mark Watkins	Appointed on 1 July 2015
Paul Wilson	Resigned on 15 December 2015

DIRECTORS AND THEIR INTERESTS

At 31 March 2016 the Directors' interests in the shares of the Company are detailed below:-

This table is audited

	1p Ordinary shares at 31 March 2016	% of issued Ordinary share capital (32,035,064 Ordinary shares)	1p Ordinary shares at 1 April 2015	% of issued Ordinary share capital (28,973,821 Ordinary shares)
Matthew Cowley	1,590,357	4.96%	1,540,357	5.32%
Tim Cowley	1,857,638	5.80%	1,897,638	6.55%
James Hedges	2,142,626	6.69%	2,152,626	7.43%
John Watkins	5,774,344	18.03%	6,149,344	21.22%
Paul Wilson [2]	-	-	691,876	2.39%
Sean Morris [1]	-	-	-	-
Mark Watkins [1]	250,128	0.78%	-	-
Bill Duffy [1]	20,000	0.06%	-	-

[1] Appointed 1 July 2015
[2] Resigned 15 December 2015

The Directors had no interest in the share capital of the Company's subsidiary undertakings at 31 March 2016 or on the date on which these financial statements were approved.

DIRECTORS' REMUNERATION

The Directors' remuneration for the year ended 31 March 2016 was:

This table is audited

	Salaries & benefits £	Fees £	Options exercised £	Pension contributions £	**Total aggregate emoluments to year ended 31 March 2016 £**	**Total aggregate emoluments to year ended 31 March 2015 £**
Keith Evans	31,000	130,000	-	124	161,124	28,000
Matthew Cowley	91,342	-	239,250	428	331,020	95,083
Tim Cowley	105,662	-	239,250	500	345,412	109,854
James Hedges	128,790	-	319,000	3,822	451,612	112,376
John Watkins	216,718	-	438,625	-	655,343	202,678
Paul Wilson [2]	65,800	-	239,250	1,750	306,800	103,782
Sean Morris [1]	84,540	-	-	2,798	87,338	-
Mark Watkins [1]	84,764	-	-	-	84,764	-
Bill Duffy [1]	24,000	22,500	-	-	46,500	-
Total	832,616	152,500	1,475,375	9,422	2,469,913	651,773

[1] Appointed 1 July 2015
[2] Resigned 15 December 2015

The additional fees paid to Keith Evans (non executive Director) were in relation to the acquisitions of the trade and assets of DCS Systems Ltd and the acquisition of Route Monkey Holdings Ltd. Bill Duffy provided further consultancy services in addition to his role as a non executive Director.

DIRECTORS' SHARE OPTIONS

At 31 March 2016 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 2015	Granted during year	Exercised during year	Expired/ forfeited during year	Balance as at 31 March 2016	Date exercisable from	Expiry date
Matthew Cowley	£0.130	150,000	-	(150,000)	-	-	-	30/07/2022
	£0.445	125,000	-	-	-	125,000	22/01/2017	21/01/2024
	£1.925	-	25,000	-	-	25,000	22/09/2018	21/09/2025
Tim Cowley	£0.130	150,000	-	(150,000)	-	-		30/07/2022
	£0.445	125,000	-	-	-	125,000	22/01/2017	21/01/2024
	£1.925	-	50,000	-	-	50,000	22/09/2018	21/09/2025
James Hedges	£0.130	200,000	-	(200,000)	-	-		30/07/2022
	£0.445	125,000	-	-	-	125,000	22/01/2017	21/01/2024
	£1.925	-	75,000	-	-	75,000	22/09/2018	21/09/2025
	£1.830	-	9,836	-	-	9,836	01/10/2018	30/09/2018
John Watkins	£0.130	275,000	-	(275,000)	-	-		30/07/2022
	£0.445	250,000	-	-	-	250,000	22/01/2017	21/01/2024
	£1.925	-	225,000	-	-	225,000	22/09/2018	21/09/2025
	£1.830	-	9,836	-	-	9,836	01/10/2018	30/09/2018
Paul Wilson [2]	£0.130	150,000	-	(150,000)	-	-		30/07/2022
	£0.445	50,000	-	-	-	50,000	22/01/2017	21/01/2024
	£1.925	-	25,000	-	-	25,000	22/09/2018	21/09/2025
Sean Morris [1]	£0.875	175,000	-	-	-	175,000	18/12/2017	17/12/2024
	£1.925	-	75,000	-	-	75,000	22/09/2018	21/09/2025
Mark Watkins [1]	£0.578	200,000	-	-	-	200,000	07/04/2017	06/04/2024
	£1.925	-	75,000	-	-	75,000	22/09/2018	21/09/2025

[1] Appointed 1 July 2015
[2] Resigned 15 December 2015

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 2015 the Company held 75,000 of its own 1p Ordinary shares. During the year 46,000 of these shares were sold for a total consideration of £72,680 leaving 29,000 held by the company as at 31 March 2016 (representing 0.09% of the called up share capital).

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITORS

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 auditors are 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.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual 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, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

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;
- notify the company's shareholders in writing about the use of disclosure
- exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- 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 enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

INDEPENDENT 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 8 July 2016

James Hedges, Company Secretary

Independent Auditors' Report
To the Members of Trakm8 Holdings PLC

Report on the group financial statements

Our opinion

In our opinion, Trakm8 Holdings Plc's group financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 31 March 2016 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the consolidated statement of financial position as at 31 March 2016;
- the consolidated statement of comprehensive 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 Annual Report, 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 financial statements is IFRSs as adopted by the European Union, and applicable law.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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;
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of 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. 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.

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 32, 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 parent 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 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. With respect to the Strategic Report and Directors’ Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Other matter

We have reported separately on the parent company financial statements of Trakm8 Holdings Plc for the year ended 31 March 2016.

Matthew Hall (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

8 July 2016

Consolidated Statement of **Comprehensive Income** For The Year Ended 31 March 2016

	Note	Year ended 31 March 2016	Year ended 31 March 2015
		£	£
REVENUE	6	25,649,188	17,853,436
Cost of sales		(13,251,581)	(9,791,655)
Gross profit		12,397,607	8,061,781
Other income	7	81,443	-
Administrative expenses excluding exceptional costs		(8,756,085)	(6,301,424)
Exceptional administrative costs	9	(612,559)	-
Total administrative costs		(9,368,644)	(6,301,424)
OPERATING PROFIT	8	3,110,406	1,760,357
Finance income		874	388
Finance costs	10	(108,208)	(58,439)
PROFIT BEFORE TAXATION		3,003,072	1,702,306
Income tax	11	340,678	(13,241)
PROFIT FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE PARENT		3,343,750	1,689,065
OTHER COMPREHENSIVE INCOME / (EXPENSE)			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences		3,811	(4,460)
TOTAL OTHER COMPREHENSIVE INCOME / (EXPENSE)		3,811	(4,460)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO OWNERS OF THE PARENT		3,347,561	1,684,605
Adjusted Operating profit	8	3,921,044	1,877,289
EARNINGS PER ORDINARY SHARE (PENCE) ATTRIBUTABLE TO OWNERS OF THE PARENT			
Basic	13	11.15p	5.84p
Diluted	13	10.27p	5.48p

There were no discontinued operations in 2016 or 2015. Accordingly the results relate to continuing operations.

Consolidated Statement of **Changes in Equity** For The Year Ended 31 March 2016

	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 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 expense							
Exchange differences on translation of overseas operations	-	-	-	(4,460)	-	-	(4,460)
Total comprehensive (expense) / 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 1 April 2015	289,738	3,757,400	509,837	195,603	(11,625)	2,254,048	6,995,001
Comprehensive income							
Profit for the year	-	-	-	-	-	3,343,750	3,343,750
Other comprehensive income							
Exchange differences on translation of overseas operations	-	-	-	3,811	-	-	3,811
Total comprehensive income	-	-	-	3,811	-	3,343,750	3,347,561
Transactions with owners							
Shares issued	30,612	6,110,982	612,344	-	-	-	6,753,938
Share placing fees	-	(300,000)	-	-	-	-	(300,000)
Sale of own shares	-	72,680	-	-	7,130	-	79,810
IFRS2 Share based payments	-	-	-	-	-	198,079	198,079
Transactions with owners	30,612	5,883,662	612,344	-	7,130	198,079	6,731,827
Balance as at 31 March 2016	320,350	9,641,062	1,122,181	199,414	(4,495)	5,795,877	17,074,389

Consolidated Statement of **Financial Position** As At 31 March 2016

	Note	As at 31 March 2016	As at 31 March 2015
ASSETS		£	£
NON CURRENT ASSETS			
Intangible assets	14	13,996,240	3,652,203
Property, Plant and equipment	15	1,572,613	1,246,669
Deferred income tax asset	18	801,365	665,688
		16,370,218	5,564,560
CURRENT ASSETS			
Inventories	16	2,258,882	1,493,417
Trade and other receivables	17	7,620,001	4,911,525
Cash and cash equivalents		3,871,110	3,407,959
		13,749,993	9,812,901
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	(7,541,122)	(5,124,668)
Borrowings	20	(981,182)	(575,644)
Provisions	21	(92,208)	(92,193)
		(8,614,512)	(5,792,505)
CURRENT ASSETS LESS CURRENT LIABILITIES		5,135,481	4,020,396
TOTAL ASSETS LESS CURRENT LIABILITIES		21,505,699	9,584,956
NON CURRENT LIABILITIES			
Trade and other payables	19	(395,313)	(306,034)
Borrowings	20	(3,976,336)	(2,236,001)
Provisions	21	(59,661)	(47,920)
NET ASSETS		17,074,389	6,995,001
EQUITY			
Share capital	22	320,350	289,738
Share premium		9,641,062	3,757,400
Merger reserve		1,122,181	509,837
Translation reserve		199,414	195,603
Treasury reserve		(4,495)	(11,625)
Retained earnings		5,795,877	2,254,048
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		17,074,389	6,995,001

The notes on pages 40 to 68 are an integral part of these consolidated financial statements. These financial statements on pages 36 to 68 were approved by the Board of directors and authorised for issue on 8 July 2016 and are signed on their behalf by:

John Watkins - Director

James Hedges - Director

Consolidated Statement of **Cash Flows** For The Year Ended 31 March 2016

	Notes	Year ended 31 March 2016 £	Year ended 31 March 2015 £
NET CASH GENERATED FROM OPERATING ACTIVITIES	24	4,447,310	1,186,080
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		874	388
Acquisition of subsidiary undertaking (net of cash acquired)		(7,697,531)	(5,175)
Purchases of property, plant and equipment		(449,462)	(355,087)
Purchases of software		(79,134)	-
Proceeds from sale of plant and equipment		-	9,888
Capitalised development costs		(1,852,639)	(861,849)
NET CASH USED IN INVESTING ACTIVITIES		(10,077,891)	(1,211,835)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of new shares		5,839,751	12,500
Sale of Treasury shares		79,810	48,888
New bank loan		6,000,000	3,000,000
New HP agreement		126,242	-
Interest paid		(108,208)	(58,439)
Repayment of loans		(5,751,888)	(2,480,021)
Repayment of obligations under hire purchase agreements		(12,839)	-
NET CASH GENERATED FROM FINANCING ACTIVITIES		6,172,868	522,928
NET INCREASE IN CASH AND CASH EQUIVALENTS		542,286	497,173
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		3,407,959	2,910,786
CASH AND CASH EQUIVALENTS AT END OF YEAR		3,871,110	3,407,959

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 2016.

These financial statements are presented on a going concern basis. The Group has cash balances of £3,871,110 at 31 March 2016 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.

4 **ACCOUNTING POLICIES (Continued)**

BASIS OF CONSOLIDATION

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

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

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

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

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other 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.

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.

Revenue for telematics services, being the provision of data to customers, is recognised with reference to the fair value of contracts over the period to which it relates. The appropriate portion of service revenues covering a future period is shown as deferred income under current liabilities.

Revenue for engineering services and software development and integration projects is recognised with reference to the fair value of the contracts when the project is substantially complete and the outcome is reasonably certain.

Revenue from the sale of software is recognised when the software is made available for use by the customers. Revenue from the development of software and the integration of software with customers existing sytems is recognised with reference to the fair value of the contracts when the project is substantially complete and the outcome is reasonably certain.

4 **ACCOUNTING POLICIES (Continued)**

GRANT INCOME

Government grants for revenue expenditure are recognised in income statement on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate. For grants relating to assets the grant is deducted from the carrying amount of the asset.

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.

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.

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.

4 **ACCOUNTING POLICIES (Continued)**

SHARE-BASED PAYMENTS

The Group has applied the requirements of IFRS 2 Share-based payment, the corresponding entry to the expense in the Statement of Comprehensive Income is recognised in equity within the Statement of Changes in Equity.

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.

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 (including intangible 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.

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 amortisation period is typically 1-10 years depending on the life of the related asset.

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.

Notes To The Consolidated Financial Statements (Continued)

4 **ACCOUNTING POLICIES (Continued)**

INTANGIBLE ASSETS ACQUIRED AS PART OF A BUSINESS COMBINATION

For acquisitions, the Group recognises intangible assets separately from goodwill provided they are separable or arise from contractual or other legal rights and their fair value can be measured reliably. Intangible assets are initially recognised at fair value, which is regarded as their cost. Intangible assets are subsequently held at cost less accumulated amortisation and impairment losses. Where intangible assets have finite lives, their cost is amortised on a straight-line basis over those lives. The nature of intangible assets recognised and their estimated useful lives are as follows:

Software	10 - 20% Straight line
Websites	33 - 50% Straight line
Intellectual property	20% Straight line

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

PROPERTY, PLANT AND EQUIPMENT IMPAIRMENT

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

INVENTORIES

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

4 **ACCOUNTING POLICIES (Continued)**

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 where applicable.

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. Financial liabilities and equity instruments are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Bank borrowings

Borrowings are initially recognised at fair value, being proceeds received less directly attributable transaction costs incurred. Borrowings are subsequently measured at amortised cost with any transaction costs amortised to the income statement over the period of the borrowings using the effective interest method.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

FINANCE LEASES

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

4 **ACCOUNTING POLICIES (Continued)**

WARRANTY CLAIMS

Provision is made for product warranty claims when the Group has a present obligation as a result of past events, it is more likely than not that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. No provision is made for discounting on the grounds that the impact of discounting is deemed insignificant.

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

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

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.

4 **ACCOUNTING POLICIES (Continued)**

SEGMENTAL REPORTING

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

The Board have assessed that there continues to be just one segment following the continued integration of the Trakm8, DCS and Route Monkey 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).

CHANGES IN ACCOUNTING STANDARDS AND DISCLOSURES

During the year no new accounting standards became effective which had a significant impact on the Group's consolidated financial statements.

Recent accounting developments

A number of new standards and amendments and revisions to existing standards have been published and are mandatory for the Group's future accounting periods. They have not been adopted early in these consolidated financial statements and other than those listed below none are expected to have a material impact on the Group.

The impact of the following standards are being assessed by the Group

IFRS 15, 'Revenue from contracts with customers'. This standard establishes principles for reporting the nature, amount and timing of revenue arising from an entity's contracts with customers. The Group is continuing to assess the full impact of IFRS 15. The area which is currently under review by the Group and where a change to current practice may be required, is contract revenue recognition. The standard becomes effective for accounting periods beginning on or after 1 January 2018 and is subject to endorsement by The European Union.

IFRS 16, 'Leases'. The main change is expected to relate to the recognition on the Group's balance sheet of assets and liabilities relating to leases which are currently being accounted for as operating leases. The Group is yet to assess the full impact of IFRS 16 which becomes effective for accounting periods beginning on or after 1 January 2019. This standard is subject to endorsement by The European Union.

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAI

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 is recognised with reference to the fair value of contracts.

Management recognises revenue with reference to the fair value of the elements provided within the contract. On contracts with elements of supply, software development and integration, and service, management have determined the revenue attributable to each element of each project by reference to the contracts and with reference to historic trends and industry averages to identify fair value.

The split between initial recognition for products supplied and subsequent recognition for service revenue over the contract period and allocating the fair value between these elements is the key judgement made by management in ensuring appropriate revenue recognition.

Management determines the state of completion of engineering services, software development and integration projects by reference to work done, elements delivered and services provided to the customer.

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 14 and the accounting policy is set out in Note 4.

VALUATION OF INTELLECTUAL PROPERTY ON BUSINESS COMBINATIONS

On the acquisition of a business, it is necessary to attribute fair values to any intangible assets acquired, provided they meet the criteria to be recognised. The fair values of these assets are arrived at by estimating the cost of acquiring equivalent assets from a third party. The Group takes advice from third parties in determining fair values and the estimated useful lives of intangible assets arising on significant acquisitions. Estimates of remaining useful lives of assets are also reviewed at least annually and revised if appropriate.

CAPITALISED DEVELOPMENT COSTS

The recoverability of capitalised development costs is dependent on assessments of the future commercial viability of the relevant products and processes. Management assess this viability based on market knowledge and demand from customers for improvements to existing products and software capabilities

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.

5 **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)**

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 DCS and Route Monkey 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. It continues to define all the Group'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 Board as 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:

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Solutions	17,208,779	10,981,695
Products	8,440,409	6,871,741
	25,649,188	17,853,436

A geographical analysis of revenue by destination is as follows:

	Year ended 31 March 2016			Year ended 31 March 2015		
	Solutions £	Products £	Total £	Solutions £	Products £	Total £
United Kingdom	16,769,774	8,048,848	24,818,622	10,268,761	6,174,260	16,443,021
USA	-	168,652	168,652	98,534	191,744	290,278
Canada	390	46,592	46,982	360	226,146	226,506
Norway	117,527	-	117,527	377,043	-	377,043
Rest of Europe	224,078	7,784	231,862	132,040	46,760	178,800
UAE	-	136,819	136,819	-	175,880	175,880
Rest of World	97,010	31,714	128,724	104,957	56,951	161,908
	17,208,779	8,440,409	25,649,188	10,981,695	6,871,741	17,853,436

All non-current assets are located in the UK with the exception of £7,004 (2015: £5,023) which are held in Europe.

7 OTHER INCOME

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Grant income	81,443	-

8 OPERATING PROFIT

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

	Year ended 31 March 2016	Year ended 31 March 2015
	£	£
Depreciation (see note 15)		
- owned fixed assets	227,194	176,571
- assets on hire purchase	5,075	-
Amortisation of intangible assets (see note 14)	655,528	542,713
Operating lease rentals		
Land and buildings	92,173	51,862
Other	219,625	142,838
Research and development expenditure	1,002,096	350,177
Loss on foreign exchange transactions	46,212	18,227
Staff costs (note 12)	6,036,138	4,479,252

	£	£
Auditors' remuneration		
Fees payable to the Company's auditors for the audit of the parent company and consolidated financial statements	57,000	10,000
Fees payable to the Company's auditors for other services:		
The audit of the Company's subsidiaries	40,000	30,000
Tax compliance services	12,500	-
Tax advisory services	12,450	7,500

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

	Year ended 31 March 2016	Year ended 31 March 2015
	£	£
Operating Profit	3,110,406	1,760,357
Exceptional administrative costs	612,559	-
Share based payments	198,079	116,932
Adjusted Operating profit	3,921,044	1,877,289

9 EXCEPTIONAL COSTS

	Year ended 31 March 2016	Year ended 31 March 2015
	£	£
Acquisition costs	578,943	-
Integration costs	33,616	-
	612,559	-

The acquisition costs related to the purchase of the trade and assets of DCS Systems Ltd in June 2015 and 100% of the share capital of Route Monkey Holdings Ltd in December 2015. The integration costs related to the reorganisation of management and integration of business systems and processes following the acquisitions. These costs have been included as part of Administration costs.

10 FINANCE COSTS

	Year ended 31 March 2016	Year ended 31 March 2015
	£	£
Interest on bank loans	108,208	58,439

11 INCOME TAX

	Year ended 31 March 2016	Year ended 31 March 2015
	£	£
Current tax	(24,001)	-
R&D tax credit	-	(74,205)
Recognition of deferred tax movement	(316,677)	87,446
Income tax charge / (credit)	(340,678)	13,241

Factors affecting the tax charge

The tax assessed for the year is lower (2015: lower) than the applicable rate of corporation tax in the UK. The difference is explained below:

	£	£
Profit before tax	3,003,072	1,702,306
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 20%)	600,614	340,461
Effects of:		
Expenses not deductible/income not taxable	126,014	69,460
R&D relief enhanced deduction	(685,681)	(213,381)
Deferred tax brought forward adjustment	17,232	96,145
Utilisation of tax losses not recognised as a deferred tax asset	(275,301)	(205,239)
R&D tax credit	(123,558)	(74,205)
Total tax (credit) / charge	(340,678)	13,241

R&D relief enhanced deduction

This is deduction available on research and development work done by the Group to develop and enhance its data analytics functionality and telematics hardware.

Utilisation of tax losses not recognised as a deferred tax asset

This is the utilisation of prior years tax losses that were not previously recognised as the realisation of the related tax benefit through future taxable profits was not considerd probable.

12 EMPLOYEES

	Year ended 31 March 2016 No.	Year ended 31 March 2015 No.
The average monthly number of persons (including Directors) employed by the Group was:		
Research and development	59	41
Selling and distribution	65	40
Production	71	55
Administration	29	21
	224	157

Staff costs for the employees and Directors (included under Administrative expenses):		
	£	£
Wages and Salaries	5,010,798	3,828,339
Social security costs	730,614	496,755
Share based payments	198,079	116,932
Other pension costs	96,647	37,226
	6,036,138	4,479,252

The compensation for key management personnel was as follows (included under Administrative expenses):

	£	£
Salaries and other short-term employee benefits	1,153,555	816,740
Post-employment benefits	13,256	5,085
Share based payments	89,352	85,063
	1,256,163	906,888

The key management personnel are the Directors and in addition the Trakm8 Limited Sales Director.

The Directors made total gains of £1,475,375 on the exercise of share options during the year.

Details of Directors' fees and salaries, bonuses and pensions (including that of the highest paid Director) have been audited and are given in the Directors' Report on page 30.

13 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:

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Profit for the year after taxation	3,343,750	1,689,065
Exceptional administrative costs, net of tax	612,559	-
Share based payments	198,079	116,932
Tax effect of adjustments	(122,512)	-
Adjusted profit for the year after taxation	4,031,876	1,805,997
	No.	No.
Number of Ordinary shares of 1p each	32,035,064	28,973,821
Basic weighted average number of Ordinary shares of 1p each	30,000,972	28,944,151
Basic weighted average number of Ordinary shares of 1p each (diluted)	32,571,617	30,823,153
Earnings per share	11.15p	5.84p
Diluted earnings per share	10.27p	5.48p
Adjust for effects of:		
Exceptional costs	1.63p	-
Share based payments	0.66p	0.40p
Adjusted earnings per share	13.44p	6.24p
Adjusted diluted earnings per share	12.56p	5.88p

14 INTANGIBLE ASSETS

	Goodwill	Intellectual property	Development costs	Software	Total
	£	£	£	£	£
COST					
As at 1 April 2014	1,979,114	1,620,184	1,316,677	47,567	4,963,542
Additions	5,175	-	861,849	52,627	919,651
As at 31 March 2015	1,984,289	1,620,184	2,178,526	100,194	5,883,193
Additions	-	-	1,852,639	79,134	1,931,773
Acquisition of DCS and RML	7,767,902	300,000	74,891	925,000	9,067,793
Disposals	-	-	(53,701)	-	(53,701)
As at 31 March 2016	9,752,191	1,920,184	4,052,355	1,104,328	16,829,057
AMORTISATION					
As at 1 April 2014	-	1,150,176	516,391	21,710	1,688,277
Charge for year	-	153,617	363,508	25,588	542,713
As at 31 March 2015	-	1,303,793	879,899	47,298	2,230,990
Charge for year	-	175,296	395,195	85,037	655,528
Depreciation on disposals	-	-	(53,701)	-	(53,701)
As at 31 March 2016	-	1,479,089	1,221,393	132,335	2,832,817
NET BOOK VALUE					
As at 31 March 2016	9,752,191	441,095	2,830,962	971,993	13,996,240
As at 31 March 2015	1,984,289	316,391	1,298,627	52,896	3,652,203
As at 1 April 2014	1,979,114	470,008	800,286	25,857	3,275,265

Intangible assets recognised on acquisitions	£	£	£	£	£
DCS	2,176,000	320,000	-	-	2,496,000
Route Monkey	5,591,902	905,000	74,891	-	6,571,793
	7,767,902	1,225,000	74,891	-	9,067,793

Goodwill arose in relation to the Group's acquisition of the trade and assets of DCS in June 2015: £2,176,000 and acquisition of 100% of the share capital of RML in December 2015: £5,591,902.

Since the acquisition DCS has been incorporated into the Trakm8 business. The two businesses have therefore been assessed as one cash generating unit for an impairment test on Goodwill.

The impairment review has been done using the value in use calculation.

The impairment review has been based on the Group's budgets for 2016/17 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 reasonable set of assumptions would produce an impairment.

14 **INTANGIBLE ASSETS *(continued)***

Since the acquisition Trakm8 Holdings PLC has been integrating RML and this process was ongoing at the year end. The business has therefore been assessed as a separate cash generating unit for an impairment test on Goodwill.

The impairment review has been based on the Group's budgets for 2016/17 which have been reviewed and approved by the Board. Forecasts for the subsequent 3 years have been produced based on 33% growth rates in each year. A net present value has been calculated using a pre tax discount rate of 14% 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 25% per annum
2. Increase in the discount rate to 17%

The conclusion of this review is that no reasonable set of assumptions would produce an impairment.

Amortisation expenses of £655,528 (2015: £542,713) have been charged to Administrative expenses in the Consolidated Statement of Comprehensive Income.

15 PROPERTY, PLANT AND EQUIPMENT

	Freehold property	Furniture, fixtures and equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
COST					
As at 1 April 2014	507,684	673,635	266,714	9,793	1,457,826
Additions	-	147,444	155,016	-	302,460
Exchange differences	-	(740)	(760)	-	(1,500)
Disposals	-	(21,235)	-	-	(21,235)
As at 31 March 2015	507,684	799,104	420,970	9,793	1,737,551
Additions	-	452,011	124,898	-	576,909
Acquisition of DCS and RML	-	19,817	9,178	-	28,995
Exchange differences	-	587	387	-	974
Disposals	-	(78,744)	(5,836)	-	(84,580)
As at 31 March 2016	507,684	1,192,775	549,597	9,793	2,259,849
DEPRECIATION					
As at 1 April 2014	35,327	105,301	184,151	1,682	326,461
Charge for year	4,460	97,953	70,296	3,862	176,571
Exchange differences	-	(44)	(760)	-	(804)
Disposals	-	(11,346)	-	-	(11,346)
As at 31 March 2015	39,787	191,864	253,687	5,544	490,882
Charge for year	4,293	143,475	80,639	3,862	232,269
Exchange differences	-	48	307	-	355
Disposals	-	(30,434)	(5,836)	-	(36,270)
As at 31 March 2016	44,080	304,953	328,797	9,406	687,236
NET BOOK VALUE					
As at 31 March 2016	463,604	887,822	220,800	387	1,572,613
As at 31 March 2015	467,897	607,240	167,283	4,249	1,246,669
As at 1 April 2014	472,357	568,334	82,563	8,111	1,131,365

Included within freehold property is £284,585 (2015: £284,585) relating to land which is not
The Group's obligations under finance leases (see note 20) are secured by the lessors' title to the leased assets, which have a carrying amount of £96,417 (2015 : £0) included within Property, Plant and Equipment.

Total depreciation expenses of £232,269 (2015: £202,159) have been charged to administrative expenses in the Consolidated Statement of Comprehensive Income.

16 INVENTORIES

	As at 31 March 2016 £	As at 31 March 2015 £
Raw materials	670,470	928,859
Work in progress	185,506	147,137
Finished goods and goods for resale	1,402,906	417,421
	2,258,882	1,493,417

The cost of inventories recognised as an expense and included in cost of sales amounted to £8,737,905, (2015: £6,731,681). During the year old inventory lines totalling £71,123, (2015: £11,559) were written down and charged to cost of sales in the Consolidated Statement of Comprehensive Income.

17 TRADE AND OTHER RECEIVABLES

	As at 31 March 2016 £	As at 31 March 2015 £
Trade receivables	5,560,921	4,257,337
Other receivables	985,840	538,754
Corporation tax receivable	24,001	-
Prepayments and accrued income	1,073,240	115,434
	7,644,002	4,911,525

The analysis of trade receivables by currency is as follows:

	As at 31 March 2016 £	As at 31 March 2015 £
Pound Sterling	5,487,170	4,061,940
Dollar	69,086	177,467
Other	4,665	17,930
	5,560,921	4,257,337

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 £468,782 (2015; £8,600).

As at 31 March 2016 trade receivables of £1,469,390 (2015; £743,621) were past due but not impaired. The ageing analysis of these trade receivables is as follows:-

	As at 31 March 2016 £	As at 31 March 2015 £
Up to 3 months past due	1,214,308	679,104
3 to 6 months past due	415,958	64,517
	1,630,266	743,621

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.

18 DEFERRED TAX

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

	As at 31 March 2016	As at 31 March 2015
Deferred tax asset	£	£
Deferred tax asset to be recovered after more than 12 months	449,491	578,242
Deferred tax asset to be recovered within 12 months	351,874	87,446
	801,365	665,688

In addition to the deferred tax asset shown above, the Group has trading losses of £612,177 (2015: £2,068,000) not recognised as a deferred tax asset because recovery is not expected in the near future.

The deferred tax asset consists of the following:

	As at 31 March 2016	As at 31 March 2015
	£	£
Trading losses	1,141,503	811,811
Accelerated tax depreciation	(340,138)	(146,123)
	801,365	665,688

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.
The movement in the deferred income tax asset during the year is as follows:-

	Trading losses	Accelerated tax depreciation	TOTAL
	£	£	£
At 31 March 2015	811,811	(146,123)	665,688
Credited to the Statement of Comprehensive Income	329,692	(13,015)	316,677
Debited to goodwill arising on acquisition	-	(181,000)	(181,000)
At 31 March 2016	1,141,503	(340,138)	801,365

19 TRADE AND OTHER PAYABLES

	Non current liabilities		Current liabilities	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
			£	£
Trade payables	-	-	4,229,411	3,041,087
Social security and other taxes	-	-	1,529,573	716,770
Other payables	151,223	-	86,174	246,001
Accruals and deferred income	244,090	306,034	1,695,964	1,120,810
	395,313	306,034	7,541,122	5,124,668

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

20 BORROWINGS

	As at 31 March 2016			As at 31 March 2015		
	Bank loan	Obligations under finance leases	Total	Bank loan	Obligations under finance leases	Total
	£	£	£	£	£	£
Current	955,506	25,676	981,182	575,644	-	575,644
Non Current	3,888,609	87,727	3,976,336	2,236,001	-	2,236,001
	4,844,115	113,403	4,957,518	2,811,645	-	2,811,645

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

During 2015 the loan from Clydesdale to Route Monkey Holdings Limited was repaid in full. In addition the £3m term loan with HSBC was repaid and replaced with a £5m term loan 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 2021 and bears interest at a floating rate of 1.95% over base rate.

In addition HSBC granted a new £5m 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 2016 the Group had not drawn down any of this credit facility.

21 PROVISIONS

	£
As at 1 April 2014	161,186
Arising during the year	67,699
Utilised	(67,699)
Reversal of unused amounts	(21,073)
As at 1 April 2015	140,113
Arising during the year	55,097
Utilised	(43,341)
At 31 March 2016	151,869

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

	As at 31 March 2016	As at 31 March 2015
	£	£
Current	92,208	92,193
Non-Current	59,661	47,920
	151,869	140,113

22 SHARE CAPITAL

	As at 31 March 2016		As at 31 March 2015	
	No's	£	No's	£
Authorised	'000's		'000's	
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	32,035	320,350	28,974	289,738

Movement in share capital:

	As at 31 March 2016 £	As at 31 March 2015 £
As at 1 April	289,738	288,738
New shares issued	30,612	1,000
As at 31 March	320,350	289,738

The Company currently holds 29,000 Ordinary shares in treasury representing 0.10% 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 32,006,064.

During the year the following shares were issued:

Date	Description	Shares number	Consideration £	Premium £
04/09/2015	Exercise of options over Ordinary Shares by Directors and an employee of the Company	975,000	126,750	117,000
15/09/2015	Exercise of options over Ordinary Shares by an employee of the Company	100,000	13,000	12,000
21/12/2015	Share placing to fund acquisition of Route Monkey	1,801,802	6,000,000	5,981,982
21/12/2015	Share issue to senior management shareholders of Route Monkey	184,441	614,189	612,344
		3,061,243	6,753,938	6,723,326

The shares issued to senior management shareholders of Route Monkey were issued at a premium which was subject to merger relief and has been taken to the Merger reserve.

23 SHARE-BASED PAYMENTS

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

The exercise price of all share options is the closing market price on the day of grant. A vesting period of 3 years is applicable according to the terms of each scheme which specify the options will vest providing employees remain in service for 3 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, tranches S,T and SAYE. The inputs to our Black Scholes pricing model were:

	Option Scheme		
	S	SAYE	T
Grant date	22/09/2015	05/08/2015	02/01/2016
Weighted average FV (pence)	86.53	65.98	146.26
Weighted average exercise price (pence)	192.50	183.00	333.00
Expected volatility (%)	51.1%	51.3%	51.0%
Expected life of option	5 years	3 years	5 years
Dividend yield (%)	0%	0%	0%
Risk free (%)	1.2%	1.2%	1.2%

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

23 SHARE-BASED PAYMENTS *(continued)*

Options granted during the year were:-

Grant date	No of shares	Option Exercise Price	Date of expiry
22 September 2015	800,000	192.50p	29/09/2026
05 August 2015	91,622	183.00p	01/10/2026
02 January 2016	300,000	333.00p	02/01/2026
	1,191,622		

A reconciliation of option movements over the year to 31 March 2016 is shown below;

	As at 31 March 2016		As at 31 March 2015	
	Share options	Weighted average Exercise	Share options	Weighted average Exercise
	No	Price (p)	No	Price (p)
Outstanding at beginning of the year	3,150,000	34.3	2,625,000	23.3
Granted during the period	1,191,622	226.4	625,000	76.8
Lapsed during the period	(3,600)	183.0	-	-
Exercised during the period	(1,075,000)	13.0	(100,000)	12.5
Outstanding at the end of the year	3,263,022	111.7	3,150,000	34.3

The share price at the date of exercise of the above 1,075,000 options was 175 pence (975,000 options) and 203.5 pence (100,000).

The range of exercise prices of the outstanding options is 13 pence to 333 pence and the weighted average remaining contractual life is 8.4 years.

The Group charged £198,079 to the Statement of Comprehensive Income in respect of Share-Based Payments for the financial year ended 31 March 2016 (2015: £116,932).

Share options exercisable at the 31 March 2016 were 100,000 (2015: nil).

24 CASH GENERATED FROM OPERATIONS

	Year ended 31 March 2016	Year ended 31 March 2015
	£	£
Reconciliation of profit before tax to net cash flow from operating activities:		
Profit before tax	3,003,072	1,702,306
Depreciation	232,269	202,159
Bank and other interest	107,334	58,051
Amortisation of intangible assets	655,528	517,125
Share based payments	198,079	116,932
Operating cash flows before movement in working capital	4,196,282	2,596,573
Movement on retranslation of overseas operations	3,190	(3,764)
Movement in inventories	(39,011)	(212,808)
Movement in trade and other receivables	(1,211,259)	(1,641,882)
Movement in trade and other payables	1,486,354	394,829
Movement in provisions	11,754	(21,073)
Cash generated from operations	4,447,310	1,111,875
Income taxes received	-	74,205
Net cash inflow from operating activities	4,447,310	1,186,080

25 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	As at 31 March 2016 £	As at 31 March 2015 £
Land and buildings		
Within one year	140,389	86,362
In the second to fifth years inclusive	481,727	356,087
Over 5 years	451,212	456,000
	1,073,328	898,449
Other		
Within one year	203,309	122,594
In the second to fifth years inclusive	213,691	111,379
Over 5 years	108	-
	417,108	233,973

Land and buildings under operating leases represents four leases payable by the Group which have expiry dates from 2018 to 2026.

26 RELATED PARTY TRANSACTIONS

A total of 575,000, (2015 500,000) share options were granted during the year to eight (2015 three) key management employees.

The non-executive director Bill Duffy is a director of eConnect Cars Limited (eConnect), a customer of the Group, sales to eConnect in the year totalled £7,140, all sales were based on prices and terms that would be available to third parties.

27 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.

27 **FINANCIAL INSTRUMENTS (Continued)**

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% and a 20% decrease in the value of 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.

	10%	
	Year ended 31 March 2016	Year ended 31 March 2015
	Profit	Profit
	£	£
US Dollar	(206,826)	(43,694)
Euro	(160,324)	(72,500)

	20%	
	Profit	Profit
	£	£
US Dollar	(465,359)	(43,694)
Euro	(360,729)	(72,500)

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 quality of financial assets that are neither past due nor impaired can be ascertained with reference to the banks external credit ratings.

Credit rating (S&P)	As at 31 March 2016	As at 31 March 2015
	£	£
AA-	2,520,073	3,045,749
BBB+	1,351,037	362,210
Total	3,871,110	3,407,959

27 **FINANCIAL INSTRUMENTS (Continued)**

Financial instruments by category

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. This has been successfully achieved through the profits generated during the year.

	As at 31 March 2016	As at 31 March 2015
	£	£
Total borrowings (note 20)	4,957,518	2,811,645
Total equity	17,074,389	6,995,001
Total capital	22,031,907	9,806,646
Gearing ratio	23%	29%

At the year end the Group had total net borrowings of £1,086,408, (2015 : net cash £596,314)

Assets as per Statement of Financial Position	Loans and receivables	
	As at 31 March 2016	As at 31 March 2015
	£	£
Trade and other receivables excluding prepayments	6,546,761	4,796,091
Cash and cash equivalents	3,871,110	3,407,959
	10,417,871	8,204,050

Liabilities as per Statement of Financial Position	Financial liabilities at amortised cost	
	As at 31 March 2016	As at 31 March 2015
	£	£
Borrowings	4,957,518	2,811,645
Trade and other payables excluding statutory liabilities and deferred revenue	4,823,106	3,126,638
	9,780,624	5,938,283
Payable as follows		
	£	£
On demand or within one year	5,804,288	3,702,282
After one and within two years	1,004,857	590,005
After two and within five years	2,935,104	1,645,996
After five years	36,375	-
	9,780,624	5,938,283

Cash and cash equivalents

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

28 BUSINESS COMBINATIONS

Route Monkey Holdings Limited

On 30 December 2015 the Company acquired the entire share capital of Route Monkey Holdings Ltd and its wholly owned subsidiary, Route Monkey Ltd "Route Monkey" for a total consideration of £5,036,584. Route Monkey provides technology solutions that optimise fleet routing. The company was acquired to bring new and complementary route planning and optimisation technology capability to the Group. The assets and liabilities as at 30 December 2015 arising from the acquisition were as follows:

	Fair value
	£
Intangible assets	979,891
Property and equipment	24,995
Trade receivables	1,380,632
Trade and other payables	(975,479)
Deferred tax	(181,000)
Borrowings	(1,784,357)
Net liabilities acquired	(555,318)
Goodwill	5,591,902
Total consideration	5,036,584
Satisfied by:	
Cash	4,422,395
Fair value of shares in the Company	614,189
	5,036,584

The acquisition was settled in cash of £4,422,395 and by issuing 184,441 shares in Trakm8 Holdings PLC. The fair value of the equity shares issued was based on the market value of Trakm8 Holdings PLC's traded shares with a fair value of £614,189 on the acquisition date. Merger relief has been applied, leading to the addition of £612,344 to the merger reserve rather than share premium.

The revenue included in the consolidated statement of comprehensive income since 30 December 2015 contributed by Route Monkey was £855,823. Route Monkey also contributed operating profit of £585,404 over the same period. The Directors have concluded that it is impractical to provide disclosure of the revenues and profit that Route Monkey would have contributed to the Group had it been consolidated from 1 April 2015. This is due to a combination of the fact that Route Monkey previously had a different year end and audited accounts are not available for the period 1 April 2015 to 31 December 2015, and significant adjustments have been required to Route Monkey's accounting policies in respect of revenue recognition to align with the requirements of IFRS and Trakm8 Holdings PLC's accounting policies and it is impractical to recalculate revenues for the period 1 April 2015 to 31 December 2015.

Acquisition related costs amounting to £404,743 have been recognised as an exceptional administrative expense in the consolidated statement of comprehensive income.

Under the purchase agreement to acquire Route Monkey, contingent consideration of up to £2,000,000 is payable subject to the business achieving certain performance targets during the year to 31 December 2016. No provision in relation to this consideration has been recognised in these consolidated financial statements as the Directors consider the likelihood of any contingent amounts being payable under the agreement to be highly unlikely.

The goodwill arising on the acquisition represents the value of the software analytics acquired which Trakm8 Holdings PLC plans to integrate into their existing telematics offering

28 **BUSINESS COMBINATIONS (*continued*)**

DCS Systems Limited

On 16 June 2015 Trakm8 Limited acquired the business and assets of DCS Systems Limited "DCS" for a consideration of £3,275,136. DCS specialises in the design and distribution of camera systems for the motor vehicle, bicycle and security markets .

The fair values of the identifiable assets of the business as at the date of acquisition were:

	Fair value
	£
Intangible assets	320,000
Property and equipment	4,000
Inventories	726,454
Trade receivables	92,583
Trade and other payables	(43,901)
Net assets acquired	1,099,136
Goodwill	2,176,000
Total consideration	3,275,136
Satisfied by:	
Cash	3,275,136

The revenue included in the consolidated statement of comprehensive income since 15 June 2015 contributed by DCS was £1,851,789. DCS also contributed operating profit of £312,015 over the same period.

Had DCS been consolidated from 1 April 2015 , the consolidated statement of comprehensive income would show revenue of £2,330,700 and operating profit of £392,709 in relation to this entity.

Acquisition related costs amounting to £174,200 have been recognised as an exceptional administrative expense in the consolidated statement of comprehensive income.

The goodwill arising on the acquisition represents the value of the camera technology acquired . The value of which is considerably enhanced when combined with Trakm8’s existing product range and further synergies.

29 **CONTINGENCIES**

Under the purchase agreement to acquire Route Monkey, contingent consideration of up to £2,000,000 is payable subject to the business achieving certain performance targets during the year to 31 December 2016. No provision in relation to this consideration has been recognised in these consolidated financial statements, as the Directors consider the likelihood of any contingent amounts being payable under the agreement to be highly unlikely.

30 **DIVIDENDS**

We are proposing a final dividend of 2.0p per ordinary share (2015; nil) which subject to Shareholder approval at the Annual General Meeting which is to be held on 7 September 2016, will be paid on 13 September 2016 to Shareholders on the Register at the close of business on 26 August 2016.

Report on the parent company financial statements

Our opinion

In our opinion, Trakm8 Holdings Plc’s parent company financial statements (the “financial statements”):

- give a true and fair view of the state of the parent company’s affairs as at 31 March 2016;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the “Annual Report”), comprise:

- the Company Statement of Financial Position as at 31 March 2016
- the Company Statement of Changes in Equity for the period 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 Annual Report, 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 financial statements is United Kingdom Accounting Standards, comprising FRS 101 “Reduced Disclosure Framework”, and applicable law (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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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;
- the Strategic Report and the Directors’ Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors’ Report. We have nothing to report in this respect.

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 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.

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 32, 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 parent 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 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Matthew Hall (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton
8 July 2016

Parent Company Statement of **Financial Position** As At 31 March 2016

	Note	As at 31 March 2016 £	As at 31 March 2015 £
ASSETS			
NON CURRENT ASSETS			
INVESTMENTS	3	10,935,554	5,296,148
CURRENT ASSETS			
Trade and other receivables	4	3,574,016	1,539,043
Cash and cash equivalents		1,264,409	103,068
		4,838,425	1,642,111
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	(246,827)	(56,434)
Borrowings	5	(955,506)	(575,644)
		(1,202,333)	(632,078)
CURRENT ASSETS LESS CURRENT LIABILITIES		3,636,092	1,010,033
TOTAL ASSETS LESS CURRENT LIABILITIES		14,571,646	6,306,181
NON CURRENT LIABILITIES			
Borrowings	6	(3,888,609)	(2,236,001)
NET ASSETS		10,683,037	4,070,180
EQUITY			
Share capital	7	320,350	289,738
Share premium account		9,641,062	3,757,400
Merger reserve		612,344	-
Treasury reserve		(4,495)	(11,625)
Retained earnings		113,776	34,667
TOTAL SHAREHOLDERS' FUNDS		10,683,037	4,070,180

The result for the year was a loss of £118,970, (2015; profit £12,851).

These financial statements on pages 71 to 77 were approved by the Directors and authorised for issue on 8 July 2016 and are signed on their behalf by:

John Watkins - Director

James Hedges - Director

Parent Statement of **Changes in Equity** For The Year Ended 31 March 2016

	Share capital	Share premium	Merger reserve	Treasury reserve	Retained earnings	TOTAL SHAREHOLDERS FUNDS
	£	£		£	£	£
Balance as at 1 April 2014	288,738	3,641,561	-	-	(203,548)	3,726,751
Shares issued	1,000	11,500	-	-	-	12,500
Share based payments reallocation	-	-	-	-	152,258	152,258
IFRS2 charge for the 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
Balance as at 1 April 2015	**289,738**	**3,757,400**	**-**	**(11,625)**	**34,667**	**4,070,180**
Shares issued	30,612	6,110,982	612,344	-	-	6,753,938
Share placing fees	-	(300,000)	-	-	-	(300,000)
IFRS2 charge for the year	-	-	-	-	198,079	198,079
Sale of own shares	-	72,680	-	7,130	-	79,810
Loss for the year	-	-	-	-	(118,970)	(118,970)
Balance as at 31 March 2016	**320,350**	**9,641,062**	**612,344**	**(4,495)**	**113,776**	**10,683,037**

1 **ACCOUNTING POLICIES**

BASIS OF PREPARATION

The financial statements of the parent company have been prepared in accordance with United Kingdom Accounting Standards - Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The parent company has transitioned to FRS 101 from previously extant UK Generally Accepted Accounting Practice for all periods presented. There are no adjustments to the comparative figures for the year ended 31 March 2015 or as at 1 April 2014 arising from the change in financial reporting framework.

The Company has taken advantage of the legal dispensation contained in Section 408 of the Companies Act 2006 allowing it not to publish a separate income statement and related notes. The Company has also taken advantage of the legal dispensation contained in Section 408 of the Companies Act 2006 allowing it not to publish a separate statement of other comprehensive income.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

• Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share—based payment' (details of the number and weighted—average exercise prices of share options, and how the fair value of goods or services received was determined)
• IFRS 7, 'Financial Instruments: Disclosures'
• Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
• Paragraph 38 of 'International Accounting Standard 1, Presentation of financial statements' (IAS1) comparative information requirements in respect of paragraph 79(a)(iv) of IAS1
• The following paragraphs of IAS1, 'Presentation of financial statements':
− 10(d) (statement of cash flows)
− 16 (statement of compliance with all IFRS)
− 38A (requirement for minimum of two primary statements, including cash flow statements)
− 38B-D (additional comparative information)
− 40A-D (requirements for a third statement of financial position)
− 111 (cash flow statement information)
− 134-136 (capital management disclosures)
• IAS 7, 'Statement of cash flows'
• Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
• Paragraph 17 of IAS 24, 'Related party disclosures (key management compensation)
• The requirements of IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group

1 **ACCOUNTING POLICIES *(continued)***

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. Cost includes directly attributable acquisition expenses.

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.

TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

BANK BORROWINGS

Borrowings are initially recognised at fair value, being proceeds received less directly attributable transaction costs incurred. Borrowings are subsequently measured at amortised cost with any transaction costs amortised to the income statement over the period of the borrowings using the effective interest method.

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.

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

TREASURY SHARES

Where any Group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

1 **ACCOUNTING POLICIES *(continued)***

SHARE-BASED PAYMENTS

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

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.

2 **PROFIT AND LOSS ACCOUNT**

As permitted by Section 408 of the Companies Act 2006, the income statement of the Company is not presented as part of these financial statements.
The loss after tax for the year in the Company is £118,970, (2015; profit £12,851). Audit fees for the Company for the year were £3,000, (2015; £3,000)

3 **INVESTMENTS**

	Subsidiaries
Cost	£
As at 1 April 2015	5,296,148
Acquisition of Route Monkey Holdings Limited	5,441,327
Capital contribution in respect of share based payments	198,079
At 31 March 2016	10,935,554

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

Name of subsidiary	*Country of incorporation*	*Nature of business*		*Class of holding*	*Proportion held and voting rights*
Trakm8 Limited	England and Wales	Marketing and distribution of vehicle telematics	Lydden House Wincombe Business Park Shaftesbury Dorset SP7 9QJ	Ordinary	100%
Trakm8 s.r.o.	Czech Republic	Mapping services	A7 Office Centre Praha 7 U Pruhonu 1588/11a 170 00 Czech Republic	Ordinary	100%
BOX Telematics Limited	England and Wales	Manufacture and distribution of telematics	Lydden House Wincombe Business Park Shaftesbury Dorset SP7 9QJ	Ordinary	100%
Route Monkey Holdings Limited	Scotland	Route optimisation	2a Houston Interchange Business Park, Houstoun, Livingston, West Lothian, EH54 5DW	Ordinary	100%
Route Monkey Limited*	Scotland	Route optimisation	2a Houston Interchange Business Park, Houstoun, Livingston, West Lothian, EH54 5DW	Ordinary	100%
Interactive Projects Limited	England and Wales	Dormant	Lydden House, Wincombe Business Centre, Shaftesbury, Dorset, SP7 9QJ	Ordinary	100%
Data Driven Telematics	England and Wales	Dormant	Lydden House, Wincombe Business Centre, Shaftesbury, Dorset, SP7 9QJ	Ordinary	100%
DCS Systems Limited	England and Wales	Dormant	Lydden House, Wincombe Business Centre, Shaftesbury, Dorset, SP7 9QJ	Ordinary	100%

* Owned directly by Route Monkey Holdings Ltd
DCS1 Systems Limited was incorporated on 16 June 2015. Trakm8 Holdings PLC subscribed to the entire share capital of DCS1 Systems Limited on 16 June 2015. DCS1 Systems Limited changed its name to DCS Systems Limited on 18 June 2015

4 **TRADE AND OTHER RECEIVABLES**

	As at 31 March 2016	As at 31 March 2015
	£	£
Amounts due from subsidiary undertakings	3,434,904	1,523,892
Prepayments and other receivables	139,112	15,151
	3,574,016	1,539,043

Amounts due from subsidiary undertakings is unsecured, interest free and repayable on demand.

5 TRADE AND OTHER PAYABLES

	As at 31 March 2016	As at 31 March 2015
	£	£
Bank loan	955,506	575,644
Trade creditors	183,172	24,358
Amounts due to subsidiary undertakings	24,058	-
Accruals and other creditors	39,597	32,076
	246,827	56,434

Amounts due to subsidiary undertakings is unsecured, interest free and repayable on demand.

6 BORROWINGS

	As at 31 March 2016	As at 31 March 2015
	£	£
Bank loan	3,888,609	2,236,001

The Bank loan is repayable as follows:

	£	£
Within one year	955,506	575,644
After one and within two years	979,181	590,005
After two and within five years	2,909,428	1,645,996
	4,844,115	2,811,645

During 2015 the loan from Clydesdale to Route Monkey Holdings Limited was repaid in full. In addition the £3m term loan with HSBC was repaid and replaced with a £5m term loan 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 2021 and bears interest at a floating rate of 1.95% over base rate.

In addition HSBC granted a new £5m 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 2016 the Group had not drawn down any of this credit facility.

7 CALLED UP SHARE CAPITAL

Details of share capital and share options are shown in notes 22 and 23 to the consolidated financial statements above.

8 CAPITAL AND OTHER COMMITMENTS

At 31 March, the Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	As at 31 March 2016	As at 31 March 2015
	£	£
Motor vehicles:		
Not later than one year	-	1,512
	-	1,512

The Company had no capital expenditure contracted for but not provided for in the financial statements.

9 **GUARANTEE**

The borrowings of the company is guaranteed by the assets of the subsidiary companies: Trakm8 Ltd, BOX Telematics Ltd, Route Monkey Holdings Ltd and Route Monkey Ltd.

10 **RELATED PARTIES**

The company has taken advantage of the exemptions conferred by IAS 24 from the requirement to disclose transactions between wholly owned subsidiary undertakings

A total of 575,000, (2015 500,000) share options were granted during the year to eight (2015 three) key management employees.

The non-executive director Bill Duffy is a director of eConnect Cars Limited (eConnect), a customer of the Group, sales to eConnect in the year totalled £7,140, all sales were based on prices and terms that would be available to third parties.

11 **EMPLOYEES AND DIRECTORS**

The Directors of the Company were paid by Trakm8 Ltd or 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. The Company had no employees (2015; nil) during the year (other than the Directors).

Details of Directors' fees and salaries, bonuses and pensions (including that of the highest paid Director) have been audited and are given in the Directors' Report on page 30.

12 **TRANSITION TO FRS 101**

For all periods up to and including the year ended 31 March 2015, the parent company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practice (UK GAAP). These financial statements for the year ended 31 March 2016 are the first the parent company has prepared in accordance with FRS 101, with a transition date of 2008. The shareholders were informed on the transition to FRS 101, along with the exemptions being taken, in writing, with no objections made by the shareholders.

On transition to FRS 101 the parent company has applied the requirements of paragraphs 6 to 33 of IFRS 1 "First time adoption of International Financial Reporting Standards" with the exception, allowed by FRS 101, of the requirement of paragraphs 6 and 21 to present an opening statement of financial position at the date of transition.

At the date of transition, the parent company has measured the value of its assets and liabilities at the carrying amounts included in the consolidated financial statements of Trakm8 Holdings PLC, based on Trakm8 Holdings PLC's date of transition to IFRS. No adjustments were required on the transition to FRS 101.

Officers and Advisers for Trakm8 Holdings PLC

Directors

Matt Cowley
Tim Cowley
Bill Duffy
Keith Evans
James Hedges
Sean Morris
John Watkins
Mark Watkins

Secretary

James Hedges

Registered Office

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Principal Bankers

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Independent Auditors

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