

Datatrak holdings plc

COMPANY ANNOUNCEMENT

The following is a company announcement issued by Datatrak Holdings p.l.c. pursuant to Malta Stock Exchange Bye-Law 6.05.06(i);

QUOTE

At a meeting held on Thursday 12th September 2002, the Board of Directors of Datatrak Holdings p.l.c. met, discussed and approved the attached Interim Financial Results for the period 1st January 2002 to 30th June 2002.

UNQUOTE

Louis de Gabriele
Company Secretary

12th September 2002

Datatrak Holdings p.l.c.

Unaudited Interim Financial Results
2002

Datatrak Holdings p.l.c.

Unaudited Interim Financial Results

2002

Contents

	Page
Profit and Loss Account	1
Balance Sheet	2 - 3
Statement of Changes in Equity	4
Cash flow statement	5
Notes to the Unaudited Interim Financial Results	6

Datatrak Holdings p.l.c.

Profit and Loss Account

For the Period from 1 January 2002 to 30 June 2002

	The Group		The Company	
	01.01.02 to 30.06.02	23.10.00 to 30.06.01	01.01.02 to 30.06.02	23.10.00 to 30.06.01
	Lm	Lm	Lm	Lm
Turnover	478,419	353,710	12,000	-
Direct costs	(278,357)	(181,372)	-	-
Local marketing costs	(48,709)	(43,172)	-	-
Administrative expenses	(194,094)	(171,516)	(23,088)	(46,210)
Other operating income	5,303	6,026	-	-
Other operating expenses	(738)	(1,315)	-	-
Amortisation of goodwill	(24,144)	(31,690)	-	-
Pre-operating overseas marketing costs	(36,630)	(67,396)	-	-
Interest receivable and similar income	21,329	41,482	21,321	41,454
Interest payable and similar charges	(19,840)	(43,849)	-	(1,100)
(Loss)/profit before depreciation	(97,461)	(139,092)	10,233	(5,856)
Depreciation	(181,000)	(205,832)	-	-
(Loss)/profit before taxation	(278,461)	(344,924)	10,233	(5,856)
Taxation	27,208	70,910	(3,581)	-
(Loss)/profit for the period	(251,253)	(274,014)	6,652	(5,856)
Profit attributable to minority interests	(10,122)	(16,367)	-	-
(Loss)/profit for the period attributable to shareholders	(261,375)	(290,381)	6,652	(5,856)
(Loss)/Earnings per share in cents	(1c6)	(1c8)	0c4	(0c4)

Datatrak Holdings p.l.c.

Balance Sheet

At 30 June 2002

	The Group		The Company	
	30.06.02	31.12.01	30.06.02	31.12.01
	Lm	Lm	Lm	Lm
Fixed assets				
Tangible assets	2,157,455	2,313,135	-	-
Intangible assets	967,785	956,070	-	-
Financial assets	-	-	4,005,028	3,913,117
	-----	-----	-----	-----
	3,125,240	3,269,205	4,005,028	3,913,117
Other long-term assets				
Deferred tax asset	609,729	572,628	-	-
	-----	-----	-----	-----
	3,734,969	3,841,833	4,005,028	3,913,117
	-----	-----	-----	-----
Current assets				
Stocks	198,884	168,162	-	-
Debtors	784,804	632,045	161,546	104,744
Cash at bank and in hand	773,653	890,456	768,283	887,106
	-----	-----	-----	-----
	1,757,341	1,690,663	929,829	991,850
	-----	-----	-----	-----
Creditors: amounts falling due within one year				
Bank borrowings	581,009	505,539	-	-
Creditors	808,327	722,069	62,116	38,878
	-----	-----	-----	-----
	1,389,336	1,227,608	62,116	38,878
	-----	-----	-----	-----
Net current (liabilities)/assets	368,005	463,055	867,713	952,972
	-----	-----	-----	-----
Total assets less current liabilities	4,102,974	4,304,888	4,872,741	4,866,089
	-----	-----	-----	-----
Creditors: amounts falling due after more than one year				
Creditors	(52,000)	(2,662)	-	-
	-----	-----	-----	-----
	4,050,974	4,302,226	4,872,741	4,866,089
Minority interests	(44,203)	(34,080)	-	-
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	4,006,771	4,268,146	4,872,741	4,866,089
	=====	=====	=====	=====

Datatrak Holdings p.l.c.

Balance Sheet

At 30 June 2002

	The Group		The Company	
	30.06.02	31.12.01	30.06.02	31.12.01
	Lm	Lm	Lm	Lm
Capital and reserves				
Called up issued share capital	1,594,950	1,594,950	1,594,950	1,594,950
Share premium	3,235,608	3,235,608	3,235,608	3,235,608
Profit and loss account	(823,787)	(562,412)	42,183	35,531
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	<u>4,006,771</u>	<u>4,268,146</u>	<u>4,872,741</u>	<u>4,866,089</u>

Datatrak Holdings p.l.c.

Statement of Changes in Equity

For the Period from 1 January 2002 to 30 June 2002

	Total	Ordinary Shares	Preference Shares	Share Premium	Profit and Loss Account
	Lm	Lm	Lm	Lm	Lm
The Group					
Issue of shares on incorporation on 23 October 2000	20,000	20,000	-	-	-
Issue of shares on acquisition of subsidiary	1,174,950	1,074,950	100,000	-	-
Public issue of shares	3,990,013	400,000	-	3,590,013	-
Conversion of preference shares at a premium	(100,000)	100,000	(100,000)	(100,000)	-
Equity issue costs	(254,405)	-	-	(254,405)	-
Loss attributable to shareholders	(290,381)	-	-	-	(290,381)
At 30 June 2001	<u>4,540,177</u>	<u>1,594,950</u>	<u>-</u>	<u>3,235,608</u>	<u>(290,381)</u>
At 1 January 2002	4,268,146	1,594,950	-	3,235,608	(562,412)
Loss attributable to shareholders	(261,375)	-	-	-	(261,375)
At 30 June 2002	<u>4,006,771</u>	<u>1,594,950</u>	<u>-</u>	<u>3,235,608</u>	<u>(823,787)</u>
The Company					
Issue of shares on incorporation on 23 October 2000	20,000	20,000	-	-	-
Issue of shares on acquisition of subsidiary	1,174,950	1,074,950	100,000	-	-
Public issue of shares	3,990,013	400,000	-	3,590,013	-
Conversion of preference shares at a premium	(100,000)	100,000	(100,000)	(100,000)	-
Equity issue costs	(254,405)	-	-	(254,405)	-
Loss attributable to shareholders	(5,856)	-	-	-	(5,856)
At 30 June 2001	<u>4,824,702</u>	<u>1,594,950</u>	<u>-</u>	<u>3,235,608</u>	<u>(5,856)</u>
At 1 January 2002	4,866,089	1,594,950	-	3,235,608	35,531
Profit attributable to shareholders	6,652	-	-	-	6,652
At 30 June 2002	<u>4,872,741</u>	<u>1,594,950</u>	<u>-</u>	<u>3,235,608</u>	<u>42,183</u>

Datatrak Holdings p.l.c.

Cash Flow Statement

For the Period from 1 January 2002 to 30 June 2002

	The Group		The Company	
	01.01.02 to 30.06.02	23.10.00 to 30.06.01	01.01.02 to 30.06.02	23.10.00 to 30.06.01
	Lm	Lm	Lm	Lm
Cash Flows from operating activities				
Cash receipts from customers	395,417	363,741	-	-
Cash paid to suppliers and employees	(531,879)	(878,311)	(26,793)	(33,189)
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Cash absorbed by operations	(136,462)	(514,570)	(26,793)	(33,189)
Interest received	33,931	23,531	33,931	23,503
Interest paid	(19,390)	(36,286)	-	(1,100)
	-----	-----	-----	-----
Net cash used in/(from) operating activities	(121,921)	(527,325)	7,138	(10,786)
	-----	-----	-----	-----
Cash flows from investing activities				
Payments for tangible fixed assets	(53,632)	(316,266)	-	-
Payments to acquire subsidiary undertakings	-	(150,000)	-	(198,000)
Payments for financial assets	(215,020)	(679,399)	(215,020)	(679,399)
Advances to group undertakings	-	-	(125,961)	(2,523,432)
Development expenditure	(20,262)	-	-	-
	-----	-----	-----	-----
Net cash used in investing activities	(288,914)	(1,145,665)	(340,981)	(3,400,831)
	-----	-----	-----	-----
Cash flows from financing activities				
Proceeds from issue of shares	-	3,958,013	-	3,910,013
Share issue costs	-	(197,870)	-	(197,870)
Repayment of bank loan	-	(1,497,853)	-	-
Interest paid on bank loan	-	(60,124)	-	-
Advances by minority interests	5,000	93,381	-	-
Payment of finance lease liabilities	(956)	-	-	-
Interest paid on finance lease liabilities	(502)	-	-	-
	-----	-----	-----	-----
Net cash from financing activities	3,542	2,295,547	-	3,712,143
	-----	-----	-----	-----
Cash and cash equivalents at beginning of period	(115,083)	-	387,106	-
(Decrease)/Increase in cash and cash equivalents	(407,293)	622,557	(333,843)	300,526
Cash and cash equivalents of acquired subsidiaries	-	(810,915)	-	-
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Cash and cash equivalents at end of period	(522,376)	(188,358)	53,263	300,526
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Datatrak Holdings p.l.c.

Notes to the Unaudited Interim Financial Results

For the Period from 1 January 2002 to 30 June 2002

1 Basis of preparation

These interim results have been prepared in accordance with the requirements of International Accounting Standard 34, "Interim Financial Reporting" and in accordance with Malta Stock Exchange Bye-Law 6.05.06(i).

These interim financial results have been extracted from the unaudited management accounts for the six-months period ended 30 June 2002.

The same accounting policies and methods of computation have been consistently followed in these interim financial statements as compared with the audited financial statements for the period ended 31 December 2001. Group companies have consistently applied these accounting policies.

The comparatives of the Profit and Loss Account, the Statement of Changes in Equity and the Cash Flow Statement reflect the results for the period from 23 October 2000, being the date of incorporation of the Company, to 30 June 2001.

2 Review of performance

Turnover for the six months was Lm478,419 (2001 – eight months Lm353,710). All subsidiaries contributed to the increase in turnover. Mainly Datatrak IT and Datatrak Multimedia reflected the major increase in turnover on the same six-month period. Datatrak Systems Ltd has also registered marginal increase in sales over the comparative period.

Loss before taxation and depreciation for the period was Lm 97,461 compared to Lm 139,092 in the eight-month period of year 2001. During the period under review Datatrak IT continued with its investment in Human Resource Development through training curriculum and the recruitment of specialised IT personnel where necessary.

The group has signed up Lm1.6 million worth of contracts (inclusive of VAT) spread over a five-year period.

New Product Developments

During the current period, the group developed and introduced a new Web-Based service to be used by the Local Warden System to provide the Local Councils a tool to monitor and plan local wardens logistics. Software development for an Automatic Vehicle Location (AVL) on Web-based internet system has also started and is expected to be introduced during the last quarter of the year 2002. This service is targeted towards small business operators and private users that cannot afford the luxury of a centrally controlled GIS Software capability. In conjunction with increase in internet services on the island the AVL Web-based service is expected to stimulate further growth in sales.

Overseas Markets

Following the award of a contract by Siemens last year that has been carried out to the highest specifications by Datatrak IT Services Ltd, Siemens has again awarded the company another contract for the development of a customised software solution to another UK recovery firm, Hinton.

The Libya project remains on top of the Group's priority list. During the period various issues of technical nature have been raised and resolved. Discussions on the way forward with the project have also initiated. Should the same progress be maintained during the next period, the company will be expected to sign a preliminary contract.

During the period under review the company has gone into a Marketing Consultancy agreement with a French born Algerian to market Datatrak in Algeria. High-level meetings have been continuously held between Datatrak Officials and Algerian Investors. During the same period the Group founded a company in Algeria. Satisfactory progress has been achieved and the company is expected to achieve significant progress in coming period.

Resources have also been targeted at Nigeria and following positive feedback arising from a thorough research on market development and risk potential carried out by Datatrak MENA Ltd. on the region, Nigeria has been considered as a prospective business potential. Meetings have been progressing well and a high level of interest towards the technology by Nigerian investors is being shown. During the end of the period under review discussions between Datatrak and Nigerian investors to form a company in the region have ensued and was agreed to meet in the very near future to finalise and set up the company as a first step towards a successful conclusion of technology transfer and know-How to the region.

Special Events

During the month of June Datatrak IT Services Ltd. was chosen from amongst leading local IT companies to represent Malta in a two-day conference on the progress of "eEurope" which was held in Slovenia. During the conference Datatrak IT exhibited the Groups products that included Fleet Management System (FMS), Land Registry and Certification System, Law Enforcement System and Water Information System.

3 Explanatory notes

- a) Intangible assets comprise purchased goodwill on acquisition of subsidiaries and development costs. Intangible assets are amortised over their expected useful life.
- b) The deferred tax asset of the Group has been recognised in these financial statements to the extent that sufficient future taxable income is expected to become available, against which this asset would crystallise. The Directors expect such future taxable income to become available through planned expansion in operations.
- c) During the normal course of its business, the Group enters into transactions with its principal shareholder Maltacom p.l.c. These transactions are carried out on an arm's length basis.
- d) Comparative figures have been restated to reflect a change in estimate in expenditure determined at the end of the financial period ended 31 December 2001.