

Loqus Holdings p.l.c.
(formerly Datatrak Holdings p.l.c.)

Unaudited Half-Yearly Report

31 December 2009

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Directors' Report pursuant to Listing Rule 9.44.2

For the six-months ended 31 December 2009

The Directors present their report in accordance with the requirements of MFSA Listing Rule 9.44. This report, which shall be read in conjunction with the Condensed Consolidated Interim Financial Statements for the six months ended 31 December 2009, including the Notes thereto, forms part of the Half-Yearly Report of Loqus Holdings p.l.c., formerly Datatrak Holdings p.l.c., drawn up in terms of the requirements of Listing Rules 9.42 to 9.53.

Change in name

With effect from 22 February 2010, the Company changed its name from Datatrak Holdings p.l.c. to Loqus Holdings p.l.c.

Principal Activities

The Company holds investments in subsidiaries engaged in the provision of fleet management, back-office processing, consulting and ICT solutions.

Review of Performance

The Group registered a turnover of €1,638,841 (2008: €1,509,309) over the six months ended 31 December 2009. A loss before tax of €201,238 (2008: Loss before tax of €434,401) was reported by the Group.

Review of Performance and Significant Events

The challenges created by the global financial crisis have been extremely difficult but not insurmountable, we reacted to the situation with an aggressive cost reduction program, as well as a substantial restructuring exercise; whereby every marketing effort, product-line and R&D program was reviewed and tested for both viability and cash position. The Group has placed emphasis on seeking out new areas of growth while consolidating key successful solutions and services.

Overall performance of the Group saw a turnover of €1.6million, compared to €1.5million for the previous six-months, giving a pro-rata growth in revenue of 8.5%.

Datatrak changed its group name to Loqus. This was a significant step forward to allow for full ownership of the name and enabling expansion of operations beyond fleet management into new ITC development areas, consultancy and other services. We will be reserving the Datatrak name for branding of telematics products.

A European Research and Development Fund (ERDF) grant was awarded to Loqus Solutions Ltd, thus highlighting our dedication to innovation. It is through comprehensive research and product development, that our solutions are able to stay ahead of the competition and move up the value chain; therefore providing our customers with high quality, technologically advanced solutions at competitive pricing.

Our professional tender response team, together with blue-chip partners such as Autonomy and Raindrop have focused on the local market. We are pleased to announce we have been successful and have recently been awarded two significant Government ICT tenders.

Other key events include: Loqus UK Ltd was set up in the UK with Nick Rendell appointed CEO; we sold our call-centre and technical support centre services to a number of blue chip international clients; we signed

Directors' Report pursuant to Listing Rule 9.44.2 (continued)

For the six-months ended 31 December 2009

various important Partnership & VAR agreements including: hardware vendors such as Psion Teklogix, Cisco, HP, Cobra, Pointer and FAL; major System Vendors including BlackBoard, Autonomy and E-DMZ.

Datatrak continued to maintain its client base both locally and internationally for all its range of products and services; important new international signings for this period include:

- Geopost – RouteIT implementation in the UK and Greece finalized, Switzerland and Germany under negotiation;
- EuroCarParts (UK) - Doubled the business opportunity on both Datatrak Online and DispatchIT;
- Nilfisk – DispatchIT finalised implementation in the UK. Working towards securing new business (including Datatrak Online) in their European branches;
- Scania (UK) – Currently deploying solution across their network with trials running in France and Sweden. A pan-European deal is currently being discussed;
- ACI Global road side assistance project implemented.
- Italian Portfolio grew to include: PNP, IB Services, Cooperativa Logistica Integrale, ACI Informatica, , Inposta.

The First Half of 2010

The next few months until June 2010 will continue to be difficult; however the Group is rapidly evolving to meet the challenges and aggressively pursuing opportunities. We will continue to deliver value in all our operations, strengthen our long term viability, and expand our market presence; effectively using our knowledge to build successful solutions for all our clients. Loqus remains 100% committed to providing positive results for all its stakeholders.

Approved by the Board on 26 February 2010 and signed on its behalf by:



Mr Walter Bonnici
Chairman



Mr Joe Fenech Conti
Director

Condensed Consolidated Interim Statement of Comprehensive Income
For the six-months ended 31 December 2009


	The Group	
	01.07.2009 to 31.12.2009 €	01.07.2008 to 31.12.2008 €
Revenue	1,638,841	1,509,309
Personnel expenses	(762,799)	(730,812)
Purchases and other directly attributable costs	(216,852)	(334,042)
Changes in inventory	456	29,986
Professional and consultancy fees	(45,730)	(55,190)
Travelling and accommodation	(67,539)	(44,437)
Depreciation and amortisation	(360,230)	(409,856)
Marketing expenses	(94,494)	(254,568)
Finance income	2,446	665
Finance costs	(98,939)	(33,827)
Other administrative expenses	(196,398)	(111,629)
Loss before tax	<u>(201,238)</u>	<u>(434,401)</u>
Tax charge	(237)	(73)
Loss for the period	<u>(201,475)</u>	<u>(434,474)</u>
Other comprehensive income		
Exchange differences on translation of foreign operations	(274)	-
Other comprehensive income for the period, net of tax	<u>(274)</u>	<u>-</u>
Total comprehensive loss for the period	<u>(201,749)</u>	<u>-</u>
Attributable to:		
Equity holders of the parent	(201,749)	(434,474)
Non-Controlling Interests	-	-
Loss for the period	<u>(201,749)</u>	<u>(434,474)</u>
Loss per share	<u>(0c6)</u>	<u>(1c1)</u>

Condensed Consolidated Statement of Financial Position

As at 31 December 2009

	The Group	
	31.12.2009	30.06.2009
	€	€
Assets		
Property, plant and equipment	439,694	501,228
Intangible assets	6,096,649	6,209,335
Total non-current assets	<u>6,536,343</u>	<u>6,710,563</u>
Inventories	18,959	18,059
Trade and other receivables	1,955,814	1,598,801
Cash at bank and in hand	96,486	289,765
Total current assets	<u>2,071,259</u>	<u>1,906,625</u>
Total assets	<u>8,607,602</u>	<u>8,617,188</u>
Equity and Liabilities		
Issued capital	7,430,458	7,430,458
Share premium	847,100	3,372,413
Capital Redemption Reserve	121,554	121,554
Accumulated losses	(4,582,930)	(6,906,768)
Foreign currency translation reserve	(274)	-
Total equity attributable to equity holders of the parent	<u>3,815,909</u>	<u>4,017,657</u>
Non-controlling interests	1,225	1,225
Total equity	<u>3,817,134</u>	<u>4,018,882</u>
Non-current liabilities		
Interest-bearing loans and borrowings	707,362	765,846
Other liabilities	232,271	321,606
Total non-current liabilities	<u>939,633</u>	<u>1,087,452</u>
Interest-bearing loans and borrowings	512,276	473,388
Trade and other payables	3,338,562	3,037,466
Total current liabilities	<u>3,850,838</u>	<u>3,510,854</u>
Total liabilities	<u>4,790,471</u>	<u>4,598,306</u>
Total equity and liabilities	<u>8,607,605</u>	<u>8,617,188</u>

The Condensed Consolidated interim financial statements set out on pages 3 to 8 were approved by the Board of Directors on 26 February 2010 and were signed on its behalf by:


Mr Walter Bonnici
Chairman


Mr Joe Fenech Conti
Director

Condensed Consolidated Interim Statements of Changes in Equity

For the six-months ended 31 December 2009

	Attributable to equity holder of the parent					Total	Non-controlling interests	Total equity
	Issued capital	Share premium	Capital redemption reserve	Accumulated losses	Foreign currency translation reserve			
	€	€	€	€	€			
At 1 July 2008	7,430,458	3,372,413	121,554	(6,173,318)	-	4,751,107	-	4,751,107
Issue of new share capital							1,225	1,225
Loss for the period	-	-	-	(434,474)	-	(434,474)	-	(434,474)
At 31 December 2008	<u>7,430,458</u>	<u>847,098</u>	<u>121,554</u>	<u>(6,607,792)</u>	<u>-</u>	<u>4,316,633</u>	<u>1,225</u>	<u>4,317,858</u>
At 1 July 2009	7,430,458	3,372,413	121,554	(6,906,768)	-	4,017,657	1,225	4,018,882
Reduction of share premium	-	(2,525,313)	-	2,525,313	-	-	-	-
Loss for the period	-	-	-	(201,475)	-	(201,475)	-	(201,475)
Other comprehensive income	-	-	-	-	(274)	(274)	-	(274)
At 31 December 2009	<u>7,430,458</u>	<u>847,100</u>	<u>121,554</u>	<u>(4,582,930)</u>	<u>(274)</u>	<u>3,815,908</u>	<u>1,225</u>	<u>3,817,133</u>

Condensed Consolidated Interim Statement of Cash Flows

For the six-months ended 31 December 2009

	The Group	
	01.07.2009 to 31.12.2009 €	01.07.2008 to 31.12.2008 €
Operating Activities		
Loss before Tax	(201,238)	(434,401)
Adjustments to reconcile loss before tax to net cash flows:		
Non-Cash:		
Gain on sale of property, plant and equipment	(2,500)	(11,112)
Depreciation, amortisation and impairment	360,230	409,856
Provision for impairment of receivables	-	(42,252)
Interest payable	98,939	33,827
Interest receivable	(2,446)	(665)
Provision for exchange losses	(4,081)	(7,521)
Working capital adjustments:		
(Decrease)/increase in inventories	(900)	30,392
Decrease in trade and other receivables	(237,338)	(42,105)
Advances to related parties	(114,993)	(31,287)
Increase in trade and other payables	273,592	515,004
Interest paid	(65,121)	(3,823)
Interest received	1,572	334
Tax paid	(237)	(73)
Net cash flows generated from operating activities	105,479	416,175
Investing activities		
Proceeds from sale of property, plant and equipment	2,500	11,112
Payment to acquire property, plant and equipment	(6,109)	(111,362)
Payments to acquire intangible assets	(183,465)	(424,255)
Net cash flows (used in)/generated from investing activities	(187,074)	(524,505)
Financing activities		
Issue of share capital		1,225
Proceeds from bank borrowings	75,607	-
Repayment of bank borrowings	(69,995)	(39,971)
(Decrease)/increase in other non-interest bearing liabilities	(92,088)	94,064
Net cash flows (used in)/generated from financing activities	(86,476)	55,318
Net movement in cash and cash equivalents	(168,071)	(53,012)
Cash and cash equivalents at beginning of period	118,799	(150,283)
Cash and cash equivalents at end of period	(49,272)	(203,295)

Notes to the Condensed Consolidated Interim Financial Statements

For the six-months ended 31 December 2009

Reporting entity

Loqus Holdings p.l.c. (“the Company”), formerly Datatrak Holdings p.l.c., is a limited liability company incorporated in Malta on 23 October 2000. The condensed consolidated interim financial statements of the Company as at and for the six months ended 31 December 2009 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in an associated company.

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34 *Interim Financial Reporting*).

These condensed consolidated interim financial statements have been extracted from the unaudited and unreviewed group management accounts for the six months ended 31 December 2009.

The interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of Loqus Holdings p.l.c. as at and for the period ended 30 June 2009.

The condensed consolidated interim financial statements were approved by the Board of Directors on 26 February 2010.

The consolidated financial statements of the Group as at and for the period ended 30 June 2009 are available upon request from the Company’s registered office at F26, Mosta Technopark, Mosta, Malta.

Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its financial statements as at and for the period ended 30 June 2009.

Significant accounting judgements, estimates and assumptions

The preparation of consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Actual results in the future may differ from such estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the period ended 30 June 2009.

Statement pursuant to Listing Rule 9.44.3 issued by the Listing Authority For the six-months ended 31 December 2009

I hereby confirm that to the best of my knowledge as follows:

- the condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 31 December 2009, as well as of the financial performance and cash flows for the said period, fully in compliance with the accounting standards adopted for use in the EU for interim financial statements (EU adopted IAS 34, *Interim Financial Reporting*); and
- the Interim Directors' report includes a fair review of the information required in terms of Listing Rule 9.44.2



Mr Walter Bonnici
Chairman