

# ***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 5.03.02 and Malta Financial Services Authority Listing Rule 8.6.19:

### QUOTE

**At a meeting held on Monday 28<sup>th</sup> June 2004, the Board of Directors of Datatrak Holdings p.l.c. discussed and approved the Financial Statements of the Company and are hereby announcing the preliminary statement of operations for the financial year ended 31<sup>st</sup> December 2003.**

**A copy of the said statement is attached.**

### UNQUOTE



Louis de Gabriele  
Company Secretary

28<sup>th</sup> June 2004

# ***Datatrak Holdings p.l.c. – Preliminary Statement of Operations***

***For the Year ended 31 December 2003***

*(Published in terms of Article 9.53 of the MFSA Listing Authority Listing Rules)*

	<b>The Group</b>		<b>The Company</b>	
	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
	Lm	Lm	Lm	Lm
<b><u>Condensed profit and loss account</u></b>				
Turnover	920,262	1,026,944	39,206	67,000
(Loss)/profit before taxation	(574,142)	(446,816)	10,530	98,437
Taxation	76,915	70,617	(163)	(33,677)
(Loss)/profit for the year	(497,227)	(376,199)	10,367	64,760
Loss attributable to minority interests	72,449	3,087	-	-
<b>(Loss)/profit for the year attributable to shareholders</b>	<b>(424,778)</b>	<b>(373,112)</b>	<b>10,367</b>	<b>64,760</b>
	=====	=====	=====	=====
<b>(Loss)/earnings per share</b>	<b>(2c6)</b>	<b>(2.3c)</b>	<b>0c1</b>	<b>0c4</b>
	===	===	===	===
<b><u>Condensed balance sheet</u></b>				
Fixed assets	3,637,780	3,739,791	2,465,450	4,718,282
Other long-term assets	720,112	643,197	-	-
Net current (liabilities)/assets	(762,784)	(391,461)	2,475,766	212,567
Total assets less current liabilities	3,595,108	3,991,527	4,941,216	4,930,849
Long-term creditors	(74,266)	-	-	-
Minority interests	(50,586)	(96,493)	-	-
<b>Shareholders' funds</b>	<b>3,470,256</b>	<b>3,895,034</b>	<b>4,941,216</b>	<b>4,930,849</b>
	=====	=====	=====	=====
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	(1,360,302)	(935,524)	110,658	100,291
<b>Capital and reserves</b>	<b>3,470,256</b>	<b>3,895,034</b>	<b>4,941,216</b>	<b>4,930,849</b>
	=====	=====	=====	=====
<b><u>Condensed cash flow statement</u></b>				
Net cash (used in)/ from operating activities	(105,123)	40,610	10,987	28,373
Net cash used in investing activities	(20,119)	(482,635)	(35,435)	(412,781)
Net cash from financing activities	106,835	(16,228)	25,001	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(18,407)</b>	<b>(458,253)</b>	<b>553</b>	<b>(384,408)</b>
Cash and cash equivalents at beginning of year	(573,336)	(115,083)	2,698	387,106
<b>Cash and cash equivalents at end of year</b>	<b>(591,743)</b>	<b>(573,336)</b>	<b>3,251</b>	<b>2,698</b>
	=====	=====	=====	=====

### Statement of changes in equity

	<b>Total</b>	<b>Ordinary Shares</b>	<b>Share Premium</b>	<b>Profit and Loss Account</b>
	Lm	Lm	Lm	Lm
<b>The Group</b>				
At 01.01.02	4,268,146	1,594,950	3,235,608	(562,412)
Loss attributable to shareholders	(373,112)	-	-	(373,112)
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At 01.01.03	3,895,034	1,594,950	3,235,608	(935,524)
Loss attributable to shareholders	(424,778)	-	-	(424,778)
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At 31.12.03	3,470,256	1,594,950	3,235,608	(1,360,302)
	=====	=====	=====	=====
<b>The Company</b>				
At 01.01.02	4,866,089	1,594,950	3,235,608	35,531
Profit attributable to shareholders	64,760	-	-	64,760
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At 01.01.03	4,930,849	1,594,950	3,235,608	100,291
Profit attributable to shareholders	10,367	-	-	10,367
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At 31.12.03	4,941,216	1,594,950	3,235,608	110,658
	=====	=====	=====	=====

### Review of group performance

During the year, the Group continued with its extensive marketing exercise to obtain long-term contracts. It is presently in various stages of negotiation with a number of prospective customers in Africa for the provision of nationwide data tracking systems.

The Group sustained a loss on ordinary activities before taxation amounting to Lm574,142. This loss is stated after accounting for depreciation charges of Lm249,399, goodwill amortisation of Lm64,713 and overseas marketing costs of Lm103,874. After accounting for the recognition of a deferred tax credit of Lm76,915 and losses attributable to minority interests, the Group's loss for the year amounted to Lm424,778. The loss per share amounted to 2c6 (2002: 2c3). No dividends are proposed for distribution.

### Events occurring after balance sheet date

Following balance sheet date, the Group acquired a 30% stake holding in Datatrak Nigeria Limited a company registered in the Federal Republic of Nigeria. The Group has signed the first In-country Survey agreement through Datatrak Nigeria Limited.

### Other explanatory notes

1. The preliminary statement has been extracted from the Company's audited financial statements for the year ended 31 December 2003, which were approved by the Board of Directors on 28 June 2004. These results have been prepared in accordance with MFSA Listing Authority Listing Rule 9.53.
2. The same accounting policies and methods of computation have been consistently followed in this statement as compared with the audited financial statements for the year ended 31 December 2002. Group companies have consistently applied these accounting policies.
3. The Group's turnover represents primarily local sales.
4. During the reporting period, the Company acquired 50% plus 1 share of the ordinary share capital of Datatrak Solutions International Limited, for a total cost of Lm25,001.
5. During the normal course of its business, the Group entered into transactions with related parties, which have been accounted for at fair and reasonable prices.

**Extract from the Notes to the Financial Statements**

**Basis of Preparation (note 1)**

The consolidated financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards promulgated by the International Accounting Standards Board, and the provisions of the Companies Act, 1995 enacted in Malta.

The accounting policies have been consistently applied by the Group and are consistent with those used in the prior years.

On the basis of progress made by the Group as disclosed in note 24 to the financial statements, the directors are of the opinion that profits and cash flows expected from the successful outcome of this project are sufficient to meet present and future commitments and liabilities of the Company and the Group as these fall due. Accordingly, the going concern basis in the preparation of these financial statements is deemed appropriate.

**Events after the Balance Sheet Date (note 24)**

- a) On 22 December 2003, the Group signed a Memorandum of Understanding with investors from the Federal Republic of Nigeria, whereby it was established that Datatrak MENA Ltd. ('DML') was to provide Datatrak Nigeria Limited ('DNL') with the required technology and know-how for the installation and management of fully integrated secure location, tracking and security system infrastructures.

In accordance with the terms and conditions established by the Memorandum of Understanding, an In-country Survey Agreement was signed between DML and DNL on 3 June 2004, whereby DML is to carry out a detailed propagation study to establish the detailed technical requirements for installation of Datatrak systems on earmarked Nigerian territories. The consideration for In-country Survey is receivable through an irrevocable confirmed letter of credit in favour of DML.

- b) The Group signed a letter of intent outlining the programme to be undertaken in the development of the first network in Libya.
- c) The Group has also continued with its product development and has successfully tested the new hardware and software for its *Speed Guard* product.
- d) The Group has also signed a three year contract with Siemens VDO Trading Limited for the sale of its web-based fleet tracking software – Datatrak On-Line. It is also marketing another product – Dispatch IT, a dynamic job management and dispatch system developed in-house.

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**Independent auditors' report on the financial statements**

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2003 and of the results, changes in equity and cash flows for the year then ended in accordance with International Financial Reporting Standards promulgated by the International Accounting Standards Board and have been properly prepared in accordance with the Companies Act, 1995 enacted in Malta.

Without qualifying our opinion, we draw attention to note 1 to the financial statements, which indicates that the appropriateness of the going concern basis is dependent on the successful outcome of projects referred to in note 24 to the financial statements.

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***Issued by Datatrak Holdings p.l.c.***