

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 the MFSA Listing Authority Listing Rule 8.6.19 and Listing Rule 9.54:

QUOTE

At a meeting held on Tuesday 6th September 2005, the Board of Directors of Datatrak Holdings p.l.c. met, discussed and approved the attached Interim Financial Results for the period 1st January 2005 to 30th June 2005.

UNQUOTE



Louis de Gabriele
Company Secretary

Tuesday 6th September 2005

Datatrak Holdings p.l.c.

Unaudited Interim Financial Results
2005

Datatrak Holdings p.l.c.
Unaudited Interim Financial Results
2005

Contents

	Page(s)
Income Statement	1
Balance Sheet	2 - 3
Statement of Changes in Equity	4
Cash Flow Statement	5
Notes to the Unaudited Interim Financial Results	6 - 7

Datatrak Holdings p.l.c.

Income Statement

For the Period from 1 January 2005 to 30 June 2005

	The Group		The Company	
	01.01.05 to 30.06.05	01.01.04 to 30.06.04	01.01.05 to 30.06.05	01.01.04 to 30.06.04
	Lm	Lm	Lm	Lm
Revenue	653,883	528,456	4,909	-
Other operating income	8,579	4,651	-	-
Direct services and purchases	(104,330)	(142,082)	-	-
Wages and salaries	(193,220)	(267,250)	-	-
Work performed and capitalised	71,978	70,166	-	-
Subcontracted labour	(52,035)	(2,551)	-	-
Depreciation and amortised expenses	(170,817)	(209,719)	-	-
Marketing expenses	(6,627)	(29,192)	(24)	(194)
Other expenses	(184,976)	(179,432)	(7,661)	(4,101)
Interest receivable and similar income	12,512	14,724	10,137	14,722
Interest payable and similar charges	(20,029)	(22,798)	(2)	-
Profit / (Loss) before taxation	14,918	(235,027)	7,359	10,427
Taxation	23,973	52,523	1,662	(166)
Profit /(Loss) for the period	38,891	(182,504)	9,021	10,261
Attributable to:				
Equity holders of the parent	(20,521)	(184,494)	9,021	10,261
Minority interests	59,412	1,990	-	-
	38,891	(182,504)	9,021	10,261
(Loss)/earnings per share	(0c1)	(1c2)	0c1	0c1

Datatrak Holdings p.l.c.

Balance Sheet

At 30 June 2005

-

	The Group		The Company	
	30.06.05	31.12.04	30.06.05	31.12.04
	Lm	Lm	Lm	Lm
Assets				
Property, plant and equipment	1,676,353	1,767,179	-	-
Intangible assets	1,180,714	1,153,132	-	-
Investment in subsidiaries	-	-	1,950,450	1,950,450
Other investments	515,000	515,000	515,000	515,000
Deferred tax asset	864,629	842,263	-	-
	-----	-----	-----	-----
Total non-current assets	4,236,696	4,277,574	2,465,450	2,465,450
	-----	-----	-----	-----
Inventories	119,097	99,966	-	-
Trade and other receivables	648,109	645,385	2,585,100	2,504,646
Cash at bank and in hand	92,627	32,257	25,072	25,043
	-----	-----	-----	-----
Total current assets	859,833	777,608	2,610,172	2,529,689
	-----	-----	-----	-----
Total assets	5,096,529	5,055,182	5,075,622	4,995,139
	=====	=====	=====	=====

Datatrak Holdings p.l.c.

Balance Sheet

At 30 June 2005

—

	The Group		The Company	
	30.06.05	31.12.04	30.06.05	31.12.04
	Lm	Lm	Lm	Lm
Equity				
Issued 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
(Accumulated Losses)/Retained Earnings	(1,630,430)	(1,609,909)	133,862	124,841
	-----	-----	-----	-----
Minority Interest	3,200,128	3,220,649	4,964,420	4,955,399
	66,988	7,576	-	-
	-----	-----	-----	-----
Total Equity	3,267,116	3,228,225	4,964,420	4,955,399
	-----	-----	-----	-----
Liabilities				
Bank and other borrowings	96,870	60,818	-	-
Preference shares	52,000	52,000	-	-
	-----	-----	-----	-----
Total non-current liabilities	148,870	112,818	-	-
	=====	=====	=====	=====
Bank and other borrowings	579,079	570,188	-	-
Trade and other payables	1,101,464	1,143,951	111,202	39,740
	-----	-----	-----	-----
Total current liabilities	1,680,543	1,714,139	111,202	39,740
	-----	-----	-----	-----
Total liabilities	1,829,413	1,826,957	111,202	39,740
	-----	-----	-----	-----
Total equity and liabilities	5,096,529	5,055,182	5,075,622	4,995,139
	=====	=====	=====	=====

Datatrak Holdings p.l.c.

Cash Flow Statement

For the Period from 1 January 2005 to 30 June 2005

	The Group		The Company	
	01.01.05 to 30.06.05	01.01.04 to 30.06.04	01.01.05 to 30.06.05	01.01.04 To 30.06.04
	Lm	Lm	Lm	Lm
Cash flows from operating activities				
Cash receipts from customers	804,278	587,909	-	-
Cash paid to suppliers and employees	(684,412)	(545,339)	(5,209)	(7,880)
	-----	-----	-----	-----
Cash generated from/(absorbed by) operations	119,866	42,570	(5,209)	(7,880)
Interest received	24,067	26,695	21,690	26,693
Interest paid	(17,002)	(20,574)	-	-
Income Tax received	1,662	-	1,662	-
	-----	-----	-----	-----
Net cash from operating activities	128,593	48,691	18,143	18,813
	-----	-----	-----	-----
Cash flows from investing activities				
Payments for property, plant and equipment	(22,296)	(3,354)	-	-
Development expenditure	(82,652)	(67,023)	-	-
Payments for financial assets	-	(15,845)	-	(15,845)
Proceeds from disposal of equipment	167	-	-	-
Advances to group undertakings	-	-	(2,436)	(20,595)
	-----	-----	-----	-----
Net cash used in investing activities	(104,781)	(86,222)	(2,436)	(36,440)
	-----	-----	-----	-----
Cash flows from financing activities				
Repayment of advances by minority interest	-	(22,061)	-	-
Advances by related parties	-	15,679	-	15,679
Repayment of advances by related parties	(15,885)	-	(15,679)	-
Repayment of advances by bankers	(5,310)	(3,965)	-	-
Advances by Government entity	45,000	-	-	-
	-----	-----	-----	-----
Net cash from/(used in) financing activities	23,805	(10,347)	(15,679)	15,679
	-----	-----	-----	-----
Net increase/(decrease) in cash and cash equivalents	47,617	(47,878)	28	(1,948)
Cash and cash equivalents at beginning of period	(552,312)	(591,743)	43	3,251
	-----	-----	-----	-----
Cash and cash equivalents at end of period	(504,695)	(639,621)	71	1,303
	=====	=====	=====	=====

Datatrak Holdings p.l.c.

Notes to the Unaudited Interim Financial Results

For the Period from 1 January 2005 to 30 June 2005

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 MFSA Listing Authority Listing Rule 9.54.

These interim financial results have been extracted from the unaudited individual and group management accounts for the six-months period ended 30 June 2005.

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 year ended 31 December 2004, except that goodwill was not amortised during the period but tested for impairment in line with the requirements of International Financial Reporting Standard 3, *Business Combination*. Group companies have consistently applied these accounting policies.

2 Review of performance

Results for the period

The group registered a turnover of Lm653,883 (2004: Lm528,456) over the six months ending 30th June 2005. The increase in turnover has been mainly brought about by Datatrak Solutions International Limited, Datatrak Mena Limited and Datatrak IT Services Limited. A profit before tax of Lm14,918 (2004: loss Lm235,027) was reported by the group, after deducting depreciation and amortization costs of Lm170,817 and net finance costs of Lm7,517.

Allowance for taxation and allocation to minority, led to a loss attributable to the shareholders of Lm20,521 (2004: Lm184,494).

The operational subsidiaries of the group are all producing constant recurrent revenues which are contributing to an overall profit for the group.

New product development and significant events

The past 6 months has seen Datatrak Mena working towards concluding the Nigerian in-country survey. It has also started marketing the full range of Datatrak products in Nigeria. The Nigerian Navy has shown a strong interest in utilizing the Datatrak Vessel Monitoring System (VMS) for their search and rescue vessels; talks are ongoing.

Datatrak On Line, Datatrak's vehicle tracking operation in the UK has achieved its target. Our estimated goal of 3000 vehicles in the first year was reached and we are well on our way to achieving the estimated yearly increase of 2000 vehicles as we currently have a total of just over 4000 vehicles commissioned in the first 15 months of operation.

The latest software version of DispatchIT has been completed and released. It has been extremely well received by our existing UK customers. The latest enhancements include more dynamic content and route optimization. Marketing of DispatchIT is being channeled through a number of strategic partners including: O2, the UK's leading telephone operator and Kerridge, a leading supplier of advanced software solutions. Partnerships have also been set up in Holland, Italy, Germany and Belgium. This approach to marketing will help accelerate our overseas sales in the coming 12 months.

Datatrak Holdings p.l.c.

Notes to the Unaudited Interim Financial Results

For the Period from 1 January 2005 to 30 June 2005

2 Review of performance (Cont.)

The Vessel Monitoring System (VMS) has proven to be a very popular system with a number of vessels, mainly fishing vessels, already being monitored internationally. Currently we are expanding the range of potential services available and concurrently exploring the possibilities of penetrating the international market.

DServ has leveraged the products created by Datatrak Solutions in order to provide a comprehensive range of related services. The company has registered strong growth in turnover and profitability triggered primarily by the implementation of tighter internal controls as well as a significant increase in the automation of routine processes.

3 Other explanatory notes

- a) Development costs included within intangible assets are amortised over their expected useful life.
- b) During the normal course of its business, the Group enters into transactions with its principal shareholder Maltacom p.l.c.
- c) These unaudited interim financial statements are presented by reference to one of the alternative formats set out in the Third schedule to the Companies Act, 1995 ('the Act') and the over-riding requirements of IAS 1, *Presentation of Financial Statements*. During the current period, the directors changed the format of the balance sheet, as allowed by the Act, to reflect current practice in financial reporting.