Company Registration No. C 27140

LOQUS HOLDINGS P.L.C.

(formerly Datatrak Holdings p.l.c.)

Annual Report
and
Financial Statements

30 June 2010

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CHAIRMAN'S STATEMENT

Dear Shareholder,

When I wrote to you a year ago, the economy was going through one of the toughest periods in history. Business was stalling and many companies and entire industries taking cover, hoping for shelter from the worst. Our own industry was in tatters.

I had told you last year that I felt confident heading into 2009/2010. We were entering the year after facing radical restructuring, and we expected to end that period in a better position.

A year later, in the face of an environment that remains very difficult, I am happy to report that your company has continued to do better than most in our industry. We delivered positive results in 2009/2010, once again achieving record revenues of EUR4.4 million, an astonishing 40% improvement on last year's results. Our 2009/10 results show an operating profit (EBITDA) of EUR 1 million and a slight profit of EUR 48k. This significant improvement from last year's results is indeed something to be proud of and shows that we are well on the road to recovery.

The reason for this confidence in both the near-term and the longer-term future - is threefold. It is built, first, on the ongoing transformation of Loqus into a freestanding international brand that will provide value to shareholders; second, on our focused approach to win the large tendering opportunities we had and still have in Malta; and third, on a business model that reliably generates long term annuity based income, giving us the incentive to invest in future growth.

The Backdrop

Loqus today is a very different company than it was pre-2007. The restructuring of the Group has allowed positive results during this downturn. The immediate priority for the Group remains to bring the business to profitability through a combination of cost cutting, effective and efficient marketing and revenue enhancement. The company's cash is being actively managed to ensure that the Group can meet all its challenges and opportunities, this year our Group's cash generated from operations was over EUR 800k an improvement of 34% on last year. This cash has been mainly used to finance the Group's past debts. These debts, coupled with the requirement to invoice as promptly as possible, as well as the obligation to settle taxes instantly and the slow approval and payment process of Government mean that cash flow remains high on our agenda.

The Prospects

I believe that customers will only invest in what delivers convincing, irrefutable business value. Our products help to reduce supply chain costs. They do so by analysing and optimising the complex behaviours of our customers, their clients, their operations and crucially their drivers. Our solutions align transport with demand and provide a vital building block for end-to-end visibility across our customers entire supply chain. The end result is significant, quantifiable cost savings for our customers which together with our medium-term focus on projects will allow our Group to operate successfully in this difficult environment. The take up of these products from our international customers has shown the wisdom of this approach. Following on the major fleet management wins we had in 2010 we are confident that 2011 will also allow us to close new significant contracts.

Conclusion

We are well positioned to grow again when the economy begins to recover and our aim for the future remains to issue dividends as the best way to provide value to you, I take the opportunity to restate this important target. Finally I would like to close by thanking the board of directors and all our people, led by Mr Joe Fenech Conti and his management team, for their hard work and commitment during, what has indisputably been, another difficult year for everyone.

WALTER BONNICI
Group Chairman

31 January 2011

GROUP CHIEF EXECUTIVE'S REVIEW

Dear Shareholder,

The twelve months between July 2009 and June 2010 continued to be a challenging period that saw many in our area of activity struggle and in some cases even close down. We have yet to achieve the positive results that we have worked so hard for since we merged our subsidiaries with the Group in December 2007. However we have weathered the challenge well and have made many significant gains.

Our most important challenge is maintaining a positive cash flow; the Group is operating well on a day-to-day basis however meeting the arrears inherited from the Group's past have affected our planning. Finding the right balance between short-term requirements and maintaining our long-term growth has been our priority. We chose to preserve our skills base while ensuring that our personnel costs are in line with what the company can sustain. I would personally like to thank my ex-colleagues who were affected by the resizing exercise for having provided us with many years of loyal work and wish them well in their new positions.

Significantly throughout this whole period we have managed to preserve our all-important research and product development programs. These, together with our constant search for new opportunities, underpin our future.

The events since 2008 have continued to make it hard to achieve our medium term objectives but we remain fully committed to giving you the positive results we anticipated.

I am confident that if the cash position starts to deteriorate we can take the necessary steps to meet our commitments with banks and suppliers. This would include reducing our reliance on long term annuity income that requires significant cash up front and moving towards leveraging existing projects with growth potential and where the upfront expenditure has already been incurred.

Group Operational Performance

As I reported on 29 January 2010 during our last AGM, the financial crisis began to affect many of our customers from September 2008 and our results for January 2008 to June 2009 reflected this. The economic situation during July 2009 to June 2010 did not improve for our customers; they were faced with larger adjustments and more downturn in business.

We adapted our strategy and decided to increase our focus on projects, mainly in the form of government tenders. Tenders tend to be complex, very low on margins and difficult on cash-flow however they have allowed us to preserve and increase our skills base. In the past we have used skills we have acquired in local tenders to expand into new areas internationally and we already see new opportunities for us in e-forms and advanced document management with our partners.

GROUP CHIEF EXECUTIVE'S REVIEW - continued

Our financial performance has improved considerably in the twelve months of the review period. This is detailed below

Key Figures for July 2009 to June 10 compared to Jan 2008 to June 2009	12months to June 2010	Pro-rata 12months to June 2009	Movement	%
Revenue	4,446,488	3,173,997	1,272,491	40%
Operating profit (EBITDA)	1,021,311	256,122	765,189	299%
Depreciation and amortisation	828,646	709,356	119,290	17%
Net financing costs	162,000	113,421	48,579	43%
Profit/(loss) for the period	47,701	(566,793)	614,494	108%
Cash generated from operations	833,472	623,074	210,398	34%
Full-time equivalent	80	109	-29	-27%
Earnings per share	0c3	(2c7)		

The overall performance of the Group for 2009/2010 saw turnover at EUR 4.4 million for twelve months (July 2009 to June 2010) which is a notable improvement on the EUR 4.76 million recorded for the eighteen months (January 2008 to June 2009) and the EUR 2.95 million recorded for the twelve months of 2007 – an increase of 40% on the last year.

Costs have increased in line with revenue due to purchases relating to tenders awarded; however we have managed to lower total salaries costs by almost EUR 200k mainly through some redundancies in areas that we closed down or reduced and natural staff reductions. This is not reflected in our profit figure since, due to the increase in projects over products we have dramatically decreased capitalised salaries by EUR 410k.

Our operating profit has increased dramatically from EUR 257k in 2008/2009 to EUR 1 million for 2009/2010 as we increased revenues and keep costs under control.

Increase in depreciation and amortisation is due to the high additions for the period ended 30 June 2009, which amounted to over EUR 1 million; according to our accounting policies, only half of the year's depreciation and amortization charge was taken over those additions in that period.

Financing costs increased as a result of additional finances and moratorium period on our repayments which were granted by our bankers.

Our strategy, following the acquisition of the subsidiaries was to turn around the Group, this year was a water shed with a small profit of EUR 48k compared to a loss of EUR 567k in the previous period. This resulted in a profit per share of EUR 0c3 compared to a loss per share of EUR 2c7 in 2008/2009.

Competitive Environment

Competition in our target markets continues to be severely impacted by the financial crises. The trend to use pricing rather than performance as the main selling tool has continued. Competitors are reporting considerable losses and a number of them have closed down or been acquired. Our strategy to continue pushing on innovation through research and product development, opening new markets where financially viable and moving into projects has paid off and we are one of the few companies in our market that is still reporting growth.

GROUP CHIEF EXECUTIVE'S REVIEW - continued

Competitive Environment - continued

"Version 4" of our routing, dispatching and tracking solutions continues to get exceptionally positive feedback from our customers and the quality of our customer base is testament to this. Blue chip companies like Geopost/DPD, Scania, Ontime, ECP, ACI and Artoni trust us with core components of their process and we work with them daily to facilitate improvements in their efficiency and quality of service.

Sales and Marketing

Our major achievements, since July 2009, have been in the area of projects with wins of over EUR 4 million of which EUR 1.3 million have been invoiced until June 2010 and in Fleet Management where we sold over EUR2.5 million of systems.

We have bid for a further EUR 6 million in projects and are seeing healthy prospects in our existing fleet management customers with over EUR 2 million under negotiation.

Capital Requirements

In 2010 the Group obtained further unsecured loans from its bankers which enabled it to cover a number of bid bonds and performance guarantees held in favour of Government with respect to tenders.

Excess cash generated from operations was further used to settle liabilities that had been incurred prior to the restructuring. Payment programs on the liabilities are being serviced on a regular basis. It is anticipated that when all these liabilities are liquidated the cash surplus will continue.

The Group believes that, with the cash and capital it has on hand, it has sufficient funds available to cover its current working requirements, meet the past liabilities of the Group and continue its R&D program.

Significant Events

There were no significant management changes and all the previous directors continued to serve in this period.

As of publication of this annual report the Group has carried out a number of operations to further improve its marketing focus:

- The Group reacquired shares it had sold to in Datatrak Italia to Teleclient SPA. The subsidiary is now 100% owned by the Group and has been renamed to Loqus Italia srl.
- We have suspended operation in Libya pending significant new operations.
- The Group bought the NeXT business arm from Alemea Technologies in Italy. This acquisition gives the Group three new personnel in Italy increasing the total to five, offices in Carpi and a number of fleet management clients in Italy.

Restatement of Objectives

Profitability will drive the three key performance metrics that we have committed to:

- Clients: Value for money solutions and services to help them to achieve true progress.
- Employees: Robust career development paths with matched financial rewards.
- Shareholders: Regular dividends.

GROUP CHIEF EXECUTIVE'S REVIEW - continued

Forward-Looking Strategy

The period July 2010 to December 2010 has been even tougher than the period under review and we have many challenges left and in particular discharging all the past liabilities and delivering our projects on time and within budget.

While recognising these difficulties, Loqus' outlook remains positive; we have turned a corner and our breakeven result augers well. We will keep on striving to better our results and actively look for new opportunities both in Malta and overseas.

Conclusion

I would like to thank all my colleagues for their loyalty and hard work; my deputy CEO Mr Roland Scerri and the rest of the management team; Mr. James Azzopardi, Ms Rachel Bailey, Mr Tony Bailey, Ms Francesca Bianchi, Mr Chris Cascun, Ms Jackie Chetcuti, Mr Steve Chetcuti, Ms Dawn Borg Costanzi, Mr Paul Borg Costanzi, Ms Ilona Gambin, Mr Alvin Galea, Ms Graziella Grech, Mr Joe Mizzi, Dr Marthese Portelli, Ms Marie Claire Portelli, Mr Martin Scicluna, Mr Malcolm Seychell and Mr David Spiteri Gingell. I believe my team's strong working relationship and complementary skills will deliver Loqus' renovation.

I would also like to thank our bankers, HSBC, who throughout this period have supported us fully; their understanding of our business and unparalleled service has made a significant contribution to our success.

We are striving to achieve a new phase of profitable growth, and our clients, employees and shareholders will be among the first to reap the benefits.

JOE FENECH CONTI
Group Chief Executive

31 January 2011

GENERAL INFORMATION

Company registration

Loqus Holdings p.l.c. (formerly Datatrak Holdings p.l.c.) was registered in Malta on 23 October 2000 as a limited liability company under the Companies Act, Cap. 386 of the Laws of Malta. The Company's registration number is C 27140.

Change in name

On 29 January 2010, the Company changed its name from Datatrak Holdings p.l.c. to Loqus Holdings p.l.c.

Directors

Walter Bonnici (Chairman)
Joseph Fenech Conti (Chief Executive Officer)
Anthony P. Demajo
George Gregory
Michael Soler
Lawrence Zammit
Nicholas John Rendell (appointed on 29 January 2010)

Company secretary

Louis M. De Gabriele

Registered office

F26
Mosta Technopark
Mosta MST 3000
MALTA
Tel: (+356) 23 318 000

Bankers

HSBC Bank Malta p.l.c.
32, Merchant's Street
Valletta VLT 1173
MALTA

Auditors

Ernst & Young
Certified Public Accountants
Regional Business Centre
Achille Ferris Street
Msida MSD 1751
MALTA

DIRECTORS' REPORT

The Directors submit their report together with the audited financial statements for the year ended 30 June 2010.

Principal activities

The Group is primarily involved in the provision of fleet management, back-office processing, consulting and ICT solutions.

Dividends

The Directors did not propose the payment of dividend.

Review of the business

The Group registered a profit before the effect of taxation amounting to EUR30,665 (2009 loss: EUR849,982). Losses attributable to non-controlling interests during the current year amounted to EUR58,447 and the profit attributable to the shareholders of the Company amounted to EUR106,148 (2009 loss: EUR850,189). Further information about the results of the Group is provided in the statement of comprehensive income on page 13.

The Company registered a loss before the effect of taxation of EUR60,581 (2009: Profit EUR3,886,613). Further information about the results of the Company is provided in the statement of comprehensive income on page 18.

A review of the operation of the Company and its subsidiary undertakings for the year under review, and an indication of the likely future developments, are given in the Chairman's Statement and Group Chief Executive's Review.

Directors

The Directors of the Company who held office during the year ended 30 June 2010 were those listed in the General Information.

Statement of Directors' responsibilities

The Companies Act, Cap. 386 of the Laws of Malta requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and Company as at the end of the financial year and of the profit and loss for that year.

The Directors are responsible for ensuring that:

- appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgements and estimates;
- the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- the financial statements are prepared on the basis that the Group and the Company must be presumed to be carrying on its business as a going concern; and
- account has been taken of income and charges relating to the accounting year, irrespective of the date of receipt or payment.

The Directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, Cap. 386 of the Laws of Malta. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT - continued

Auditors

Ernst & Young have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

The Directors' report was approved by the Board of Directors and was signed on its behalf by:

WALTER BONNICI
Chairman

JOSEPH FENECH CONTI
Director

31 January 2011

DIRECTORS' STATEMENT OF COMPLIANCE WITH THE CODE OF PRINCIPLES OF GOOD CORPORATE GOVERNANCE

Introduction

Pursuant to Listing Rule 8.36b of the Listing Rules issued by the Listing Authority, Loqus Holdings p.l.c. ("the Company") as a company whose equity securities are listed on a regulated market should endeavour to adopt the principles of good corporate governance contained in Appendix 8.1 of the Listing Rules (hereinafter "the Code"). In terms of Listing Rule 8.37 the Company is bound to include a report providing an explanation of the extent to which it has adopted the principles and thus the Company is hereby reporting on the extent of its adoption of the principles contained in the Code.

The Company acknowledges that the Code does not dictate or prescribe mandatory rules but recommends principles of good practice. However, the Directors strongly believe that such practices are in the best interests of the Company and its shareholders and that compliance with the principles of good corporate governance is not only expected by investors but also evidences the Directors' and the Company's commitment to a high standard of governance.

General

The Company is a holding company and does not itself carry on any trading activities. It owns a number of subsidiaries which together form the Loqus Group (hereinafter the "Group") and it is those subsidiaries that carry on trading activities.

The Company's governance principally lies in its Board of Directors (the "Board"), responsible for the overall setting of the Group's policies and business strategies.

The Company has adopted a corporate decision-making and supervisory structure that is tailored to suit the Group's requirements and designed to ensure the existence of adequate checks and balances within the Group, whilst retaining an element of flexibility, particularly in view of the size of the Company and the nature of its business.

The Company set up an Audit Committee, currently composed of three (3) Non-Executive Directors. Officers of the Company attend the meetings to answer any queries raised by Audit Committee members. Further details of the Audit Committee, its composition and role are set out below.

The Board is composed of six (6) Non-Executive Directors and one Executive Director. The Company's current organisational structure contemplates the role of a Chief Executive Officer (the "CEO"), a position which is occupied by Mr. Joseph Fenech Conti, who is the Executive Director having a seat on the Board of Directors. The Company's CEO is currently a member of the Board and attends Board Meetings in such capacity whilst other Executives attend when necessary and upon invitation of the Directors. The presence of the CEO assures that, the Directors have direct access at meetings of Directors to the person having the prime responsibility for day to day operations of the Company and the implementation of polices that allows effective discussion and the availability of all the information necessary to carry out their functions in the best possible manner. In this respect, the Directors feel that the principle set forth in paragraph 2.3 of the Code is substantively met by means of this arrangement which allows the inter-action of Non-Executive Directors and Executives.

The Directors believe that at this stage it is not necessary for the Company to set up a Remuneration Committee since the Board determines the remuneration packages of the Company's Executives. The Board believes that there is no need to set up a separate Remuneration Committee once the Board is composed of a majority of Non-Executive Directors. This belief is founded on the premise that the justification to establish a Remuneration Committee is to avoid a situation where Executive Directors participate in the determination of their own remuneration packages. It is the practice of the Board that when Executive remuneration is a matter for discussion, the CEO does not participate in the decision making process.

DIRECTORS' STATEMENT OF COMPLIANCE WITH THE CODE OF PRINCIPLES OF GOOD CORPORATE GOVERNANCE - continued

To comply with the recommendations of the Code as regards the disclosure of Directors' remuneration, the Board has opted to disclose an aggregate figure. For the financial year under review the aggregate remuneration to which the Directors were entitled amounted to:

Directors of the Group	EUR63,002
Directors of the Company	EUR42,002

The Non-Executive Directors have no arrangement for profit sharing, share options or pension benefits as part of their remuneration.

As at reporting date, the interests of the Directors in the shares of the Company were as follows:

	Number of shares
Chev Anthony P. Demajo	1,350,750
Mr. George Gregory	NIL
Mr. Michael Soler	NIL
Mr. Lawrence Zammit	NIL
Mr. Nicholas John Rendell	NIL

Mr. Joseph Fenech Conti has a beneficial interest of 15,949,500 shares currently registered in the name of JFC Holdings Limited. Mr. Walter Bonnici has a beneficial interest of 1,434,030 shares currently registered in the name of GDL Trading and Services Limited.

Board of Directors

The Board is aware of its corporate social responsibilities in terms of the Code and seeks to adhere, as far as possible within the various constraints inherent in the Company, to its obligations set forth in the said Code.

In general the Directors believe that the Company has adopted appropriate structures to achieve an adequate level of good corporate governance, together with an adequate system of checks and balances in line with the Company's requirements.

The Memorandum and Articles of Association of the Company regulate the appointment of the Directors. Appointment of Directors is reserved exclusively to the Company's shareholders. Every shareholder owning, or group of shareholders who own together, not less than 10% of the ordinary share capital are entitled to appoint one Director for every such 10% holding.

The Chairman, Board of Directors and Auditors are all appointed by the shareholders during the Annual General Meeting (AGM). All Directors may be removed from their post either by the shareholder who appointed them or else by the passing of an ordinary resolution in the general meeting. The Directors hold office for a period of one year, unless they resign or are removed or are appointed for periods other than one year. Once the period stated in their letter of appointment lapses, the Directors would be eligible for re-appointment.

DIRECTORS' STATEMENT OF COMPLIANCE WITH THE CODE OF PRINCIPLES OF GOOD CORPORATE GOVERNANCE - continued

As stated above, the Board of Directors currently comprises seven Directors elected by the shareholders in the Annual General Meeting. For the year under review, the Board has met 6 times. A table outlining attendance is set forth hereunder:

Non-Executive Directors	Date of first appointment	Meetings attended
Mr. Walter Bonnici - Chairman	23 October 2000	6
Mr. Michael Soler	7 August 2008	5
Mr. Lawrence Zammit	7 August 2008	6
Mr. George Gregory	3 November 2008	6
Mr. Joseph Fenech Conti	7 August 2008	6
Chev. Anthony P Demajo	29 July 2005	6
Mr. Nicholas John Rendell	29 January 2010	2

The meetings held during 2009 and 2010 were attended either personally or by means of an alternate.

Board meetings concentrate mainly on strategy, operational performance and financial performance. The Board also delegates specific responsibilities to the CEO and the Audit Committee which operate under their respective formal terms of reference. Directors have access to the advice and services of the Company Secretary who is also the legal counsel to the Board and the Company.

Directors may, in the furtherance of their duties, take independent professional advice on any matter at the Company's expense. Directors and senior officers are informed and are aware of their obligations on dealings in securities of the Company within the established parameters of the law and the Listing Rules.

Each such Director and Senior Officer has been provided with the code of dealing required in terms of Listing Rule 8.45.

The Board of Directors has not undertaken an annual evaluation of its own performance and that of its committees and of individual Directors. The Non-Executive Directors' performance is not formally evaluated by the Company whether on an individual or collective basis. Moreover, the attendance at Board Meetings as shown above is indicative of the level of commitment of the Directors. The Directors believe that in view of the limited size of the Company and its resources, a formal independent evaluation of the collective and individual performance of the Directors by independent third parties is unwarranted as it is not likely to add significant value to the manner in which the Board currently operates and could be disproportionately costly.

Dealings by Directors and Senior Officers

Directors and Senior Officers are informed and are aware of their obligations on dealings in securities of the Company within the established parameters of the law and the Listing Rules. Chev. Anthony P. Demajo was appointed Designated Director of the Company for the purposes of the "Code of Conduct for Securities Transactions". There were no reported breaches of such obligations during the year under review.

DIRECTORS' STATEMENT OF COMPLIANCE WITH THE CODE OF PRINCIPLES OF GOOD CORPORATE GOVERNANCE - continued

Audit Committee

As part of its corporate governance structures the Company has also established the Audit Committee in line with the requirements of the Listing Rules. Unlike the provisions of the Code, which are not mandatory in nature, the Directors acknowledge that the requirement of having an Audit Committee in place is an obligation under the Listing Rules. The principal role of the Audit Committee is the monitoring of internal systems and controls. During the course of the year under review the Board adopted updated terms of reference for the Audit Committee designed both to strengthen this function within the Company and to widen the scope of the duties and responsibilities of this Committee. In addition, unless otherwise dealt with in any other manner prescribed by the Listing Rules, the Audit Committee has the responsibility to monitor and scrutinise Related Party Transactions, if any, falling within the ambits of the Listing Rules and to make its recommendations to the Board of any such proposed Related Party Transactions.

The Audit Committee is currently composed of Chev. Anthony P. Demajo (Chairman of the committee and Non-Executive Director of the Company), Mr. Lawrence Zammit (Non-Executive Director of the Company), and Mr. George Gregory, (Non-Executive Director of the Company). Nevertheless, the committee has the power and authority under its terms of reference to summon any person to assist it in the performance of its duties. The Audit Committee has met four times in the financial year under review. The Directors are of the view that the composition of the Audit Committee meets the requirements of the Code on independence as well as having a member with knowledge in accounting and/or auditing, since Mr. George Gregory is a Fellow of the Association of Chartered Certified Accountants. Following such declarations, such persons are also considered to be independent Directors for the purposes of the Code.

Senior Executive Management

Senior Executive Management is presently entrusted to the CEO, who reports to the Board. The link between the Executive Management and the Board is attained through the attendance at Board Meetings of the CEO, as a member of the Board.

Each Director, through the Company's legal counsel, is made aware of the Company's on-going obligations in terms of the Companies Act, Cap. 386 of the Laws of Malta, the Listing Rules and other relevant legislation.

Annual General Meeting

Business at the Company's AGM will cover the approval of the Annual Report and Audited Financial Statements, the election of Directors and the appointment of auditors and the authorisation of the Directors to set the auditors' remuneration.

Apart from the AGM, the Company intends to communicate with its shareholders by way of the Annual Report and Financial Statements, by publishing its results on a six-monthly basis during the year and by company announcements to the market in general. The Company recognises the importance of maintaining a dialogue with its shareholders to ensure that its strategies and performance are well understood.

Internal control

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. Such a system is designed to manage, rather than eliminate, risk in order to achieve business objectives, and can provide only reasonable, and not absolute, assurance against normal business risks or loss.

DIRECTORS' STATEMENT OF COMPLIANCE WITH THE CODE OF PRINCIPLES OF GOOD CORPORATE GOVERNANCE - continued

Internal control - continued

Through the Audit Committee, the Board reviews the effectiveness of the Company's system of internal controls.

The key features of the Company's system of internal control are as follows:

Organisation

The Company operates through the CEO, who is the most senior Executive, with clear reporting lines and delegation of powers.

Control environment

The Company is committed to the highest standards of business conduct and seeks to maintain these standards across all of its operations. Company policies and employee procedures are in place for the reporting and resolution of improper activities.

The Company has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve Company objectives.

Risk identification

Company management is responsible for the identification and evaluation of key risks applicable to their respective areas of business. The Audit Committee's mandate also includes the continuous assessment and oversight of such key risks.

Information and communication

Company Executives participate in periodic strategic reviews, which include consideration of long-term projections and the evaluation of business alternatives. Regular budgets and strategic plans are prepared, which are incorporated into a Company Strategic Plan. Performance against these plans is actively monitored and reported to the Board.

Communication with shareholders was effected in line with statutory and regulatory requirements. Company announcements are also made through the Malta Stock Exchange, as required by the Listing Rules.

Corporate social responsibility

The Company understands its obligation towards society at large and, within the current financial constrains of the Company, attempts to fulfil this obligation. The Company is fully aware of its obligation to help preserve the environment and endeavours to respect the environment.

The Company considers itself to be a good employer and promotes open communication, responsibility and personal development. Furthermore, the Company maintains a staff development program aimed at providing training to staff to assist in their development. Through investing in its people and their professional growth, the Company believes that this will be beneficial to both its shareholders and stakeholders alike.

The Directors consider that during the financial year under review the Company has put in place appropriate structures to comply with the principles and underlying spirit of the Code. Nonetheless the Directors shall endeavour to keep the situation under regular review as appropriate.

DIRECTORS' STATEMENT OF COMPLIANCE WITH THE CODE OF PRINCIPLES OF GOOD CORPORATE GOVERNANCE - continued

Going concern

In accordance with Listing Rule 9.44e.13, the Directors have considered the Company's operating performance, the statement of financial position at year end, and they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, in preparing the financial statements, they continue to adopt the going concern basis in preparing the financial statements set out on pages 13 to 54. Note 2 to the financial statements, details the going concern assessment.

Approved by the Board of Directors on 31 January 2011 and signed on its behalf by:

WALTER BONNICI	**ANTHONY DEMAJO**	**JOSEPH FENECH CONTI**
Chairman	Audit Committee Chairman	Director

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LOQUS HOLDINGS P.L.C. (formerly Datatrak Holdings p.l.c.)

We have audited the financial statements of Loqus Holdings p.l.c. ("the Company") and of the Group of which the Company is the parent, set out on pages 13 to 54, which comprise the statement of financial position as at 30 June 2010 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

As described on page 2, the Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Companies Act, Cap. 386 of the Laws of Malta. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

ERNST & YOUNG

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LOQUS HOLDINGS P.L.C. (formerly Datatrak Holdings p.l.c.) - continued

Opinion

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Group and the Company as at 30 June 2010, and of the Group's and the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act, Cap. 386 of the Laws of Malta.

Emphasis of matter

Without qualifying our opinion we draw attention to note 2 to the financial statements which indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

As at 30 June 2010, the Group was in breach of bank covenants and all amounts outstanding to the bank were immediately due and payable. The Group's current liabilities exceeded its current assets by EUR2,052,613. Had the Group's not been in breach of bank covenants its current liabilities would have exceeded its current assets by EUR1,629,194.

On 3 November 2010, the bank confirmed its support for the Group on the understanding that gradual improvement in the liquidity position is registered in line with the projections. As detailed in note 18, this measure will be assessed on a quarterly basis.

These financial statements have been prepared on a going concern basis which assumes that the Group will continue in existence for the foreseeable future. The validity of this assumption is dependent on the support given by the bank and the Group's ability to improve its liquidity.

The directors have a reasonable expectation that the Group has adequate resources to improve its liquidity and to take the necessary decisions to continue in operational existence for the foreseeable future, as detailed in note 25 - Liquidity risk.

ERNST & YOUNG

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LOQUS HOLDINGS P.L.C. (formerly Datatrak Holdings p.l.c.) - continued

Report on other Legal and Regulatory Requirements

The Listing Rules issued by the Malta Listing Authority require the Directors to prepare and include in their Annual Report a Statement of Compliance providing an explanation of the extent to which they have adopted the Code of Principles of Good Corporate Governance and the effective measures that they have taken to ensure compliance throughout the accounting period with those Principles.

The Listing Rules also require the auditor to include a report on the Statement of Compliance prepared by the Directors.

We read the Statement of Compliance and consider the implication for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements included in the Annual Report. Our responsibilities do not extend to considering whether this statement is consistent with any other information included in the Annual Report.

We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the company's governance procedures or its risk and control procedures.

In our opinion, the Statement of Compliance set out on pages 4 to 9 has been properly prepared in accordance with the requirements of the Listing Rules issued by the Malta Listing Authority.

We also have responsibilities:

- Under the Companies Act, Cap. 386 of the Laws of Malta to report to you if in our opinion:
  - The information given in the Directors' report is not consistent with the financial statements.
  - Adequate accounting records have not been kept.
  - The financial statements are not in agreement with the accounting records.
  - We have not received all the information and explanations we require for our audit.
  - Certain disclosures of Directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

- Under the Listing Rules to review the statement made by the Directors, set out on page 9, that the business is a going concern together with supporting assumptions or qualifications as necessary.

We have nothing to report to you in respect of these responsibilities.

This copy of the audit report has been signed by Anthony Doublet for and on behalf of

Ernst & Young
Certified Public Accountants

31 January 2011

STATEMENT OF COMPREHENSIVE INCOME - Group
for the year ended 30 June 2010

	Notes	Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR
Revenue	3	**4,446,488**	4,760,995
Other income	4	**142,412**	11,485
Purchases and other directly attributable costs		**(1,152,174)**	(884,514)
Personnel expenses	5	**(1,718,512)**	(2,184,980)
Professional and consultancy fees	6	**(101,041)**	(165,570)
Travelling and accommodation		**(182,948)**	(133,311)
Marketing expenses		**(32,969)**	(417,963)
Other administrative expenses	6	**(379,945)**	(601,959)
Share of results of associates	13	-	-
Operating profit before depreciation and amortisation		**1,021,311**	384,183
Depreciation and amortisation	10, 11	**(828,646)**	(1,064,034)
Finance income		**4,736**	5,151
Finance costs		**(166,736)**	(175,282)
Profit/(loss) before tax		**30,665**	(849,982)
Income tax credit/(expense)	8	**17,036**	(207)
Profit/(loss) for the year/period		**47,701**	(850,189)
Other comprehensive income		-	-
Total comprehensive income for the year/period, net of tax		**47,701**	(850,189)
Attributable to:			
Owners of the parent		**106,148**	(850,189)
Non-controlling interests		**(58,447)**	-
		47,701	(850,189)
Earnings/(loss) per share - basic	9.1	**0c3**	(2c7)

The accounting policies and explanatory notes on pages 22 to 54 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION - Group
as at 30 June 2010

	Notes	2010 EUR	2009 EUR
ASSETS			
Non-current assets			
Property, plant and equipment	10	**411,485**	501,228
Intangible assets	11	**5,812,258**	6,209,335
Investment in associate	13	**-**	-
		6,223,743	6,710,563
Current assets			
Inventories	15	**10,483**	18,059
Trade and other receivables	16	**2,111,327**	1,598,801
Income tax recoverable		**7,199**	-
Cash at bank	21	**320,052**	289,765
		2,449,061	1,906,625
TOTAL ASSETS		**8,672,804**	8,617,188

The accounting policies and explanatory notes on pages 22 to 54 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION - Group
as at 30 June 2010

	Notes	2010 EUR	2009 EUR
EQUITY AND LIABILITIES			
Equity			
Issued capital	17.1	**7,430,457**	7,430,457
Share premium	17.2	**847,101**	3,372,414
Amount earmarked for capitalisation		-	-
Capital redemption reserve	17.3	**121,554**	121,554
Accumulated losses		**(4,275,307)**	(6,906,768)
Equity attributable to owners of the parent		**4,123,805**	4,017,657
Non-controlling interest		**(57,222)**	1,225
Total equity		**4,066,583**	4,018,882
Non-current liabilities			
Interest bearing loans and borrowings	18	**104,547**	765,846
Other liabilities	19	-	321,606
		104,547	1,087,452
Current liabilities			
Interest bearing loans and borrowings	18	**909,343**	473,388
Trade and other payables	20	**3,592,331**	3,037,466
		4,501,674	3,510,854
Total liabilities		**4,606,221**	4,598,306
TOTAL EQUITY AND LIABILITIES		**8,672,804**	8,617,188

The accounting policies and explanatory notes on pages 22 to 54 form an integral part of the financial statements.

The financial statements on pages 13 to 54 have been authorised for issue by the Board of Directors on 31 January 2011 and were signed on its behalf by:

WALTER BONNICI
Chairman

JOSEPH FENECH CONTI
Director

STATEMENT OF CHANGES IN EQUITY – Group
for the year ended 30 June 2010

	Attributable to equity holders of the parent							
	Issued capital EUR	Share premium EUR	Amount earmarked for capitalisation EUR	Capital redemption reserve EUR	Accumulated losses EUR	Total EUR	Non-controlling interest EUR	Total equity EUR
FOR THE PERIOD ENDED 30 JUNE 2009								
At 1 January 2008	3,715,228	2,302,793	4,784,850	121,554	(6,056,579)	**4,867,846**	-	**4,867,846**
Loss for the period	-	-	-	-	(850,189)	**(850,189)**	-	**(850,189)**
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	(850,189)	**(850,159)**	-	**(850,189)**
Issue of new share capital	3,715,229	1,069,621	(4,784,850)	-	-	-	1,225	**1,225**
At 30 June 2009	**7,430,457**	**3,372,414**	-	**121,554**	**(6,906,768)**	**4,017,657**	**1,225**	**4,018,882**
FOR THE YEAR ENDED 30 JUNE 2010								
At 1 July 2009	7,430,457	3,372,414	-	121,554	(6,906,768)	**4,017,657**	1,225	**4,018,882**
Profit/(loss) for the year	-	-	-	-	106,148	**106,148**	(58,447)	**47,701**
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	106,148	**106,148**	(58,447)	**47,701**
Reduction of share premium (note 17.2)	-	(2,525,313)	-	-	2,525,313	-	-	-
At 30 June 2010	**7,430,457**	**847,101**	-	**121,554**	**(4,275,307)**	**4,123,805**	**(57,222)**	**4,066,583**

The accounting policies and explanatory notes on pages 22 to 54 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS - Group
for the year ended 30 June 2010

	Notes	Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR
Operating activities			
Profit/(loss) before tax		**30,665**	(849,982)
Non-cash adjustment to reconcile loss before tax to net cash flows:			
Gain on sale of property, plant and equipment		**(7,098)**	(7,368)
Depreciation and amortisation	10, 11	**828,646**	1,064,034
Provision for impairment of receivables	16	**6**	(170,877)
Bad debts	16	**-**	910
Interest expense		**166,736**	175,282
Interest income		**(4,736)**	(5,151)
Provision for exchange differences		**33,562**	(10,029)
Provision for obsolete inventory	15	**7,088**	
Working capital adjustments:			
Decrease in inventories		**488**	-
(Increase)/decrease in trade and other receivables		**(456,229)**	177,423
Increase in trade and other payables		**387,944**	638,998
		987,072	1,013,240
Interest paid		**(166,736)**	(83,366)
Interest received		**4,736**	4,944
Income tax paid		**(236)**	(207)
Income tax refunded		**8,636**	-
Net cash flows generated from operating activities		**833,472**	934,611
Investing activities			
Proceeds from sale of property, plant and equipment		**7,098**	17,436
Payment to acquire property, plant and equipment	10	**(40,530)**	(255,304)
Payments to acquire intangible assets	11	**(301,296)**	(1,058,003)
Net cash flows used in investing activities		**(334,728)**	(1,295,871)
Financing activities			
Issue of share capital in a subsidiary		**-**	1,225
Repayment of interest-bearing borrowings		**(151,290)**	(101,885)
Proceeds from interest-bearing borrowings		**-**	616,044
Repayment of amounts due to related parties		**(244,098)**	-
Net cash flows (used in)/generated from financing activities		**(395,388)**	515,384
Net movement in cash and cash equivalents		**103,356**	154,124
Cash and cash equivalents at beginning of year/period		**118,799**	(35,325)
Cash and cash equivalents at end of year/period	21	**222,155**	118,799

The accounting policies and explanatory notes on pages 22 to 54 form an integral part of the financial statements.

STATEMENT OF COMPREHENSIVE INCOME - Company
for the year ended 30 June 2010

	Notes	**Year to 30.06.10 EUR**	01.01.08 to 30.06.09 EUR
Revenue	3	**-**	4,803,720
Personnel expenses	5	**(47,862)**	(60,309)
Professional and consultancy fees		**(4,115)**	(49,152)
Other administrative expenses	6	**(11,160)**	(41,371)
Operating (loss)/profit		**(63,137)**	4,652,888
Finance income		**69,776**	96,827
Finance costs		**(67,220)**	(91,916)
Waiver of amounts due from subsidiaries	7	**-**	(771,186)
(Loss)/profit before tax		**(60,581)**	3,886,613
Income tax credit/(expense)	8	**17,272**	(17,272)
(Loss)/profit for the year/period		**(43,309)**	3,869,341
Other comprehensive income		**-**	-
Total comprehensive income for the year/period, net of tax		**(43,309)**	3,869,341
(Loss)/earnings per share - basic	9.1	(0c1)	12c1

The accounting policies and explanatory notes on pages 22 to 54 form an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION - Company
as at 30 June 2010

	Notes	2010 EUR	2009 EUR
ASSETS			
Non-current assets			
Investment in subsidiaries	12	**9,655,336**	9,662,252
Current assets			
Trade and other receivables	16	**10,225**	9,676
Income tax recoverable		**7,199**	-
Cash at bank and in hand	21	**68,314**	58,323
		85,738	67,999
TOTAL ASSETS		**9,741,074**	9,730,251
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	17.1	**7,430,457**	7,430,457
Share premium	17.2	**847,101**	3,372,414
Other reserve		**-**	-
Accumulated losses		**(188,647)**	(2,670,651)
		8,088,911	8,132,220
Current liabilities			
Trade and other payables	20	**1,652,163**	1,598,031
Total liabilities		**1,652,163**	1,598,031
TOTAL EQUITY AND LIABILITIES		**9,741,074**	9,730,251

The accounting policies and explanatory notes on pages 22 to 54 form an integral part of the financial statements.

The financial statements on pages 13 to 54 have been authorised for issue by the Board of Directors on 31 January 2011and were signed on its behalf by:

WALTER BONNICI
Chairman

JOSEPH FENECH CONTI
Director

STATEMENT OF CHANGES IN EQUITY - Company
for the year ended 30 June 2010

	Issued capital EUR	Share premium EUR	Other reserve EUR	Accumulated losses EUR	Total EUR
FOR THE PERIOD ENDED 30 JUNE 2009					
At 1 January 2008	3,715,228	2,302,793	5,234,144	(11,774,136)	(521,971)
Profit for the period	-	-	-	3,869,341	3,869,341
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	3,869,341	3,869,341
Issue of share capital	3,715,229	1,069,621	-	-	4,784,850
Transfers to accumulated losses	-	-	(5,234,144)	5,234,144	-
At 30 June 2009	**7,430,457**	**3,372,414**	**-**	**(2,670,651)**	**8,132,220**
FOR THE YEAR ENDED 30 JUNE 2010					
At 1 July 2009	7,430,457	3,372,414	-	(2,670,651)	8,132,220
Loss for the year	-	-	-	(43,309)	(43,309)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(43,309)	(43,309)
Reduction of share premium (note 17.2)	-	(2,525,313)	-	2,525,313	-
At 30 June 2010	**7,430,457**	**847,101**	**-**	**(188,647)**	**8,088,911**

The accounting policies and explanatory notes on pages 22 to 54 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS - Company
for the year ended 30 June 2010

	Notes	Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR
Operating activities			
(Loss)/profit before tax		**(60,581)**	3,886,613
Non-cash adjustment to reconcile (loss)/profit before tax to net cash flows:			
Waiver of amounts due by subsidiaries		-	771,186
Finance cost		**67,220**	91,916
Finance income		**(69,776)**	(96,827)
Dividends	3	-	(4,803,720)
Working capital adjustments:			
(Increase)/decrease in trade and other receivables		**(549)**	3,261
Increase in trade and other payables		**306,584**	49,323
		242,898	(98,248)
Interest received		**2,556**	4,704
Income tax refunded		**8,636**	-
Net cash flows generated from/(used in) operating activities		**254,090**	(93,544)
Investing activities			
New capital subscription in subsidiaries	12	**(1)**	(198)
Increase in amounts due by subsidiaries	12	-	(6,911)
Advances to subsidiaries		-	100,462
Net cash flows (used in)/generated from investing activities		**(1)**	93,353
Financing activities			
Repayment of amounts due to related parties		**(244,098)**	-
Net cash flows used in financing activities		**(244,098)**	-
Net movement in cash and cash equivalents		**9,991**	(191)
Cash and cash equivalents at beginning of year/period		**58,323**	58,514
Cash and cash equivalents at end of year/period	21	**68,314**	58,323

The accounting policies and explanatory notes on pages 22 to 54 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Loqus Holdings p.l.c (formerly Datatrak Holdings p.l.c.) (the "Company") is a public liability company, incorporated in Malta on 23 October 2000. The consolidated financial statements of the Company for the year ended 30 June 2010 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in an associated company. The Group is primarily involved in the provision of fleet management, back-office processing, consulting and ICT solutions.

2.1 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The consolidated and separate financial statements (the "financial statements") have been prepared on a historical cost basis.

The financial statements have been prepared in accordance with the requirements of the Companies Act, Cap. 386 of the Laws of Malta and in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Going Concern

As at 30 June 2010, the Group was in breach of bank covenants and all amounts outstanding to the bank were immediately due and payable. The Group's current liabilities exceeded its current assets by EUR2,052,613. Had the Group's not been in breach of bank covenants its current liabilities would have exceeded its current assets by EUR1,629,194.

On 3 November 2010, the bank confirmed its support for the Group on the understanding that gradual improvement in the liquidity position is registered in line with the projections. This measure will be assessed quarterly and unless satisfactory progress is achieved within the timeframes established, the bank retained the right to appoint independent monitoring and control body to protect its positions (note 18).

The above indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. These financial statements have been prepared on a going concern basis which assumes that the Group will continue in existence for the foreseeable future. The validity of this assumption is dependent on the support given by the bank and the Group's ability to improve its liquidity.

The directors have a reasonable expectation that the Group has adequate resources to improve its liquidity and to take the necessary decisions to continue in operational existence for the foreseeable future, as detailed in note 25 - Liquidity risk.

Comparative information

During the period ended 30 June 2009, the Group changed its accounting reference period starting 1 January 2008 and ending 31 December 2008 to read 1 January 2008 to 30 June 2009. For this reason, the comparative amounts for the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes are not entirely comparable to the amounts disclosed for the year ended on 30 June 2010.

2.2 BASIS OF CONSOLIDATION

Basis of consolidation from 1 July 2009

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2010.

NOTES TO THE FINANCIAL STATEMENTS

2.2 BASIS OF CONSOLIDATION - continued

Basis of consolidation from 1 July 2009 - continued

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full. A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

Basis of consolidation prior to 1 July 2009

In comparison to the above mentioned requirements which were applied on a prospective basis, the following differences applied:

- Non-controlling interests represented the portion of profit or loss and net assets that were not held by the Group and were presented separately in the consolidated income statement and within equity in the consolidated statement of financial position, separately from the parent shareholders' equity. Acquisitions of non-controlling interests were accounted for using the parent entity extension method, whereby, the difference between the consideration and the book value of the share of the net assets acquired were recognised in goodwill.
- Losses incurred by the Group were attributed to the non-controlling interest until the balance was reduces to nil. Any further excess losses were attributable to the parent, unless the non-controlling interest had a binding obligation to cover these.
- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial period except as follows:

The Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 July 2009:

IFRS 1	First-time Adoption of International Financial Reporting Standards (Amended) and IAS 27 Consolidated and Separate Financial Statements (Amended) effective 1 January 2009
IFRS 2	Share-based Payment: Vesting Conditions and Cancellations (Amended) effective 1 January 2009

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES - continued

IFRS 7	Financial Instruments: Disclosures (Amended) effective 1 January 2009
IFRS 8	Operating Segments effective 1 January 2009
IAS 1	Presentation of Financial Statements (Revised) effective 1 January 2009
IAS 23	Borrowing Costs (Revised) effective 1 January 2009
IAS 32	Financial Instruments: Presentation (Amended) and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation (Amended) effective 1 January 2009
IFRIC 9	Remeasurment of Embedded Derivatives (Amended) and IAS 39 Financial Instruments: Recognition and Measurement (Amended) effective for periods ending on or after 30 June 2009
IFRIC 13	Customer Loyalty Programmes effective 1 July 2008
IFRIC 15	Agreements for the Construction of Real Estate effective 1 January 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation effective 1 October 2008
IFRIC 18	Transfer of Assets from Customers effective 1 July 2009
IFRS 1	Revised 'First Time Adoption of IFRS' effective for annual periods beginning on or after 1 July 2009
IFRS 3	Revised 'Business Combinations' effective for annual periods beginning on or after 1 July 2009
IAS 27	Revised 'Consolidated and Separate Financial Statements' effective for annual periods beginning on or after 1 July 2009
IAS 39	'Financial Instruments: Recognition and Measurement - Eligible Hedged Items' effective for financial years beginning on or after 1 July 2009
IFRIC 17	'Distributions of Non-Cash Assets to Owners' effective for annual periods beginning on or after 1 July 2009

Improvements May 2008 and April 2009.

In May 2008 and April 2009 the IASB issued the first and second omnibus improvements to IFRSs, primarily with a view of removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of these amendments may result in changes to accounting policies but will not have any impact on the financial position or performance of the Group/Company.

When the adoption of the standard or interpretation was deemed to have an impact on the financial statements or performance of the Group/Company, its impact is described below:

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The statement of changes in equity includes only transactions with shareholders. In addition, the standard introduces the statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with "other comprehensive income". The Group/Company has made the necessary changes to the presentation of its financial statements.

IFRS 8 replaced IAS 14 *Segment Reporting* upon its effective date. The Group concluded that the operating segments determined in accordance with IFRS 8 are the same as the business segments previously identified under IAS 14. IFRS 8 disclosures are shown in note 3, including the related revised comparative information.

IFRS 3 Business Combinations (Revised) and IAS 27 Consolidated and Separate Financial Statements (Amended): The Group adopted the revised from 1 July 2009. IFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after this date. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES - continued

IAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by IFRS 3 (Revised) and IAS 27 (Amended) will affect future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests.

Standards, interpretations and amendments to published standards as adopted by the EU that are not yet effective up to 30 June 2010

Up to date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective for the current reporting period and which the Company has not early adopted.

- IFRS 2 Amendments 'Group cash-settled share-based payment transactions' (*effective for annual periods beginning on or after 1 January 2010*).
- IAS 32 Amendment ' Classification of Rights Issue' (*effective for financial years beginning on or after 1 February 2010*).
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments (*effective for annual periods beginning on or after 1 January 2013*).
- IFRIC 14 Amendments – Prepayment of a Minimum Funding Requirement (*effective for annual periods beginning on or after 1 January 2011*).
- IFRS 1 Amendments – Additional exemptions for First Time Adopters (*effective for annual periods beginning on or after 1 January 2011*).
- IAS 24 Revisions – Related Party Disclosures (*effective for annual periods beginning on or after 1 January 2011*).
- Amendment to IFRS 1 Limited Exemption from Comparative IFRS 7 disclosures for First-time Adoption (*effective for annual periods beginning on or after 1 July 2010*).

The amendments to IFRS 2, IAS 32, IFRIC 14, IFRS 1 and IFRIC 19 will not have any impact on the group's financial statements. IAS 24 has been revised to simplify the disclosure requirements for government-related entities and clarifies the definition of a related party.

Standards, interpretations and amendments issued by the International Accounting Standards Board (IASB) but not yet adopted by the European Union:

The following standards, interpretations and amendments have been issued by the IASB but not yet adopted by the European Union:

- IFRS 9 – Financial Instruments – Phase 1 Financial assets, classification and measurement
- IFRS 7 – Amendments – Financial Instruments: Disclosures
- Third omnibus improvement to IFRS issued by IASB in May 2010 (various effective dates, earliest for financial years beginning on or after 1 January 2011)
- Deferred Tax: Recovery of Underlying Assets (Amendments to IAS 12)
- Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters (Amendments to IFRS 1)

NOTES TO THE FINANCIAL STATEMENTS - continued

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting polices set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by Group/Company.

Foreign currency translation

The separate and consolidated financial statements are presented in Euro, which is the Group/Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using the functional currency. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date, whereas non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Gains and losses arising from such foreign exchange translations are taken to the statement of comprehensive income.

Revenue recognition

In general, revenue is measured at the fair value of the consideration received or receivable and is recognised to the extent that it is probable that the economic benefits will flow to the Group/Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Revenue from services rendered

Revenue from services rendered is recognised in the statement of comprehensive income in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the proportion of contract costs incurred for work performed to date bear to the estimated total costs. The excess of revenue measured at a percentage completion over the revenue recognised in prior periods is the revenue for the period.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income / expense is recorded using the effective interest rate (EIR). Interest income is included with finance income in the statement of comprehensive income.

Dividend income

Revenue is recognised when the right to receive the payment is established.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Taxes

Current tax

Current tax assets and liabilities for the current year and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

VAT

Revenues, expenses and assets are recognised net of the amount of sales tax/value added tax except:

- where the sales tax/value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax/value added tax is recognised as part of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax/value added tax included.

The net amount of sales tax/value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the years necessary to match the grants on a systematic basis to the costs that are intended to compensate.

Employee benefits

The Group/Company contributes towards the State pension defined contribution plan in accordance with local legislation and to which it has no commitment beyond the payment of fixed contributions. Related costs are recognised as an expense in the statement of comprehensive income during the year these are incurred.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised. All other borrowing costs are recognised as an expense when incurred.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

Depreciation is calculated on a straight line basis over the useful lives of each part of an item of property, plant and equipment. A depreciation charge equivalent to a half year's depreciation is charged for the year in which the asset is first brought into use and a half year's depreciation is charged during the year in which the asset is disposed of or scrapped.

The estimated lives for the current and comparative periods are as follows:

• System infrastructure	5 - 15 years
• Heavy plant and machinery	10 years
• Furniture, fittings and equipment	4 - 10 years
• Motor vehicles	5 years
• Factory improvements	over the remaining period of the lease

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each reporting date.

Leased assets

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets, or the arrangement conveys a right to use the asset.

Group as a lessee

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Group as a lessee - continued

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group/Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term.

Group as a lessor

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as income.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, development expenditure are carried out at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of future consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in the accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset. The amortisation period for the intangibles category is as follows:

- capitalised development costs — 5 years
- acquired computer software — 4 years

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it related. All other expenditure is recognised in the statement of comprehensive income when incurred.

Goodwill

The definition of an intangible asset requires an intangible asset to be identifiable to distinguish it from goodwill. Goodwill recognised in a business combination is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. The future economic benefits may result from synergy between the identifiable assets acquired or from assets that, individually, do not qualify for recognition in the financial statements.

Goodwill is measured at cost less accumulated impairment losses. In respect of associates, the carrying amount of goodwill is included in the carrying amount of the investment.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Intangible assets - continued

Research and development

Research costs, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are expensed as incurred.

Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably the expenditure during development.

A summary of the policies applied to the Company's intangible assets is as follows:

	Development cost	Acquired computer software
Useful lives	Finite	Finite
Amortisation method used	Amortised on a straight line method	Amortised on a straight line method
Internally generated or acquired	Internally generated	Acquired

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Impairment of assets

Financial assets

The Group/Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the receivables or a group of receivables is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost, the Group/Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group/Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment of assets - continued

Financial assets - continued

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of comprehensive income.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the statement of comprehensive income.

Non-financial assets

The Group/Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group/Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognised in equity up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group/Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually as at year end and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment of assets - continued

Intangible assets

Intangible assets with finite useful lives are tested for impairment whenever there is an indication that the intangible asset may be impaired.

Investment in associate

The Group's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised or separately tested for impairment. The statement of comprehensive income reflects the share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The share of profit of associates is shown on the face of the statement of comprehensive income. This is the profit attributable to equity holders of the associate and therefore is profit after tax and minority interests in the subsidiaries of the associates.

The financial statements of the associate are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the statement of comprehensive income.

Investment in subsidiaries

The investment in subsidiary companies, which are unlisted, are stated at cost. Provision is made, where in the opinion of the directors, there is a permanent diminution in value. Income from the investment is recognised only to the extent of the distributors received by the Company.

Trade and other receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred. Receivables from related party are recognised and carried at cost.

Cash and cash equivalents

Cash in hand and at banks in the statement of financial position comprise cash at banks and in hand.

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Trade and other payables

Liabilities for amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group/Company. Payables to related parties are carried at cost.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less direct attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Group/Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group/Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's / Company's continuing involvement in the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is either discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

Unrealised profits

Part II of the Third Schedule to the Act requires that only profits/losses realised at the reporting date may be included in retained earnings available for distribution. Any unrealised profits/losses at this date, taken to the Statement of comprehensive income, are transferred to a non-distributable reserve.

NOTES TO THE FINANCIAL STATEMENTS - continued

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing the financial statements, management is required to make judgements, estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements. These estimates are reviewed on a regular basis and if a change is needed, it is accounted in the year the changes become known. The most significant judgements and estimates are as follows:

Going concern

Management has made an assessment of the company's ability to continue as a going concern and is satisfied that the company has the resources to continue in business for the foreseeable future. Note 2 to the financial statements details the going concern assessment.

Impairment of non-financial assets

The Group's impairment for goodwill is based on value in use calculations that use a discounted cash flow model. The cash flows are derived from the budget for the next three years as approved by management. Cash flow projections beyond this period were extrapolated for the next eight years using a steady growth rate, after which the terminal value was calculated. These budgets do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the Group. The recoverable amount is most sensitive to the growth rate used as well as the expected future net cash-inflows and discount rate used for the discounted cash flow model. The key assumptions used to determine the recoverable amount, including a sensitivity analysis, are further explained in note 11.1.

Development costs

Development costs are capitalised in accordance with the accounting policy in note 2.4. Initial capitalisation of costs is based on management's judgement that technological and economical feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected year of benefits. At 30 June 2010, the carrying amount of capitalised development costs was EUR1,554,454 (2009: EUR1,932,716).

In the opinion of the management, except for the above, the accounting estimates, assumptions and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised) 'Presentation of financial statements'.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 SEGMENT INFORMATION

For management purposes, the group is organised into business units based on their products and services as follows:

- Fleet management - Vehicle and Marine Tracking Systems and On the Move Logistics Solutions including tailor made solutions as well as off the shelf packages.
- Back-office processing - variety of high level, off site services to support entities.
- Projects - assist clients in selecting appropriate ICT solutions and in implementing them.
- Consulting services - work with governments and entities, assisting them to plan and manage institutional reform.

Management monitors revenue and directly attributable costs of its business units separately. Other costs are not allocated to business units since they are not included in the decision making process and are managed on a group basis.

Group

Year to 30.06.10	Fleet management EUR	Back-office processing EUR	Projects EUR	Consulting services EUR	Unallocated EUR	Consolidated EUR
Revenue	**1,500,688**	**1,360,771**	**1,340,965**	**244,064**	-	**4,446,488**
Purchases and directly attributable cost	281,522	137,654	714,449	13,484	5,065	1,152,174
Personnel expenses	433,033	507,424	115,457	171,428	491,170	1,718,512
Other expenses	-	-	-	23,362	531,129	554,491
Operating profit before depreciation and amortisation	**786,133**	**715,693**	**511,059**	**35,790**	**(1,027,364)**	**1,021,311**

01.01.08 to 30.06.09	Fleet management EUR	Back-office processing EUR	Projects EUR	Consulting services EUR	Unallocated EUR	Consolidated EUR
Revenue	**2,634,295**	**1,958,559**	-	**168,141**	-	**4,760,995**
Purchases and directly attributable cost	439,989	444,052	-	473	-	**884,514**
Personnel expenses	573,626	821,622	-	131,301	658,431	**2,184,980**
Other expenses	-	-	-	16,563	1,290,755	**1,307,318**
Operating profit before depreciation and amortisation	**1,620,680**	**692,885**	-	**19,804**	**(1,949,186)**	**384,183**

There is no inter-segment revenue and all revenue was generated from external customers.

NOTES TO THE FINANCIAL STATEMENTS - continued

3 SEGMENT INFORMATION - continued

Revenue by geographical markets	Local EUR	Europe EUR	N Africa EUR	Total EUR
Year to 30.06.10	**3,357,646**	**994,798**	**94,044**	**4,446,488**
01.01.08 to 30.06.09	3,233,063	1,326,665	201,267	4,760,995

Company

The revenue for the period ended 30 June 2009 consisted of dividends receivable from subsidiaries.

4 OTHER INCOME

Other income includes government grants amounting to EUR70,260. These are receivable for research being carried out by Loqus Solutions Limited under the ERDF Scheme. Management is confident that all conditions will be fulfilled by the end of the scheme.

5. PERSONNEL EXPENSES

Personnel expenses incurred by the Group/Company during the year/period are analysed as follows:

	Group		Company	
	Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR	**Year to 30.06.10 EUR**	01.01.08 to 30.06.09 EUR
Directors' emoluments	**63,002**	86,592	**42,002**	32,495
Wages and salaries	**1,848,679**	2,934,889	**5,860**	27,814
Social security defined contribution costs	**102,047**	172,016	**-**	-
	2,013,728	3,193,497	**47,862**	60,309
Capitalised labour costs	**(295,216)**	(1,008,517)	**-**	-
Total personnel expenses	**1,718,512**	2,184,980	**47,862**	60,309

The average number of persons employed by the Group/Company during the year ended 30 June 2010 and the period ended 30 June 2009, was as follows:

	Group		Company	
	Year to 30.06.10 No.	01.01.08 to 30.06.09 No.	**Year to 30.06.10 No.**	01.01.08 to 30.06.09 No.
Operating	**57**	88	**-**	-
Administration	**23**	21	**-**	-
	80	109	**-**	-

NOTES TO THE FINANCIAL STATEMENTS - continued

6. OTHER ADMINISTRATIVE EXPENSES

	Group		Company	
	Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR	**Year to 30.06.10 EUR**	01.01.08 to 30.06.09 EUR
Auditors' remuneration				
- current year	**37,731**	41,000	**2,950**	12,931
- over provision in prior period	**-**	-	**(9,981)**	-
Water and electricity	**22,513**	49,282	**-**	-
Printing expenses	**7,634**	8,290	**7,634**	8,290
Insurances	**30,465**	49,576	**-**	-
Listing and registration fees	**10,649**	34,065	**8,731**	13,846
Bank charges	**2,529**	10,769	**-**	-
Movement in provision for impairment of receivables (note 16)	**6**	(170,877)	**-**	-
Decrease in provision for exchange difference	**27,215**	10,029	**-**	-
Rent	**57,682**	98,938	**-**	-
Telecommunications	**62,393**	129,129	**-**	-
Fuel and Oil	**21,113**	36,798	**-**	-
Other expenses	**100,015**	304,960	**1,826**	6,304
	379,945	601,959	**11,160**	41,371

Group

Professional and Consultancy fees included remuneration payable to the company's auditors for tax compliance services of EUR2,510 (2009: EUR3,500).

Company

Professional and Consultancy fees included remuneration payable to the company's auditors for tax compliance services of EUR431 (2009: EUR700).

7. WAIVER OF AMOUNTS DUE FROM SUBSIDIARY

Company

As per Board Resolution dated 7 April 2009, the Board of Directors of the Company resolved to waive EUR771,186 off the balance due by Loqus Solutions Limited. This amount was originally due by Datatrak MENA Limited, which balance was transferred to Loqus Solutions Limited upon merger. The amount waived was equal to the accumulated losses of Datatrak MENA Limited prior to its merger with Loqus Solutions Limited.

NOTES TO THE FINANCIAL STATEMENTS - continued

8. INCOME TAX

The taxation charge for the year/period is comprised of the following:

	Group		Company	
	Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR	**Year to 30.06.10 EUR**	01.01.08 to 30.06.09 EUR
Current tax charge				
- current year	**236**	207	**-**	17,272
- over provision in prior period	**(17,272)**	-	**(17,272)**	-
	(17,036)	207	**(17,272)**	17,272

The taxation on profit/(loss) before tax differs from the theoretical taxation expense that could apply on the Company's profit on ordinary activities before taxation using the applicable taxation in Malta of 35% as follows:

	Group		Company	
	Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR	**Year to 30.06.10 EUR**	01.01.08 to 30.06.09 EUR
Profit/(loss) before tax	**30,665**	(849,982)	**(60,581)**	3,886,613
Theoretical taxation expense/(credit) at domestic income tax rate 35%	**10,733**	(297,494)	**(21,203)**	1,360,315
Tax effect of:				
- Income not subject to tax	**-**	-	**-**	(1,664,029)
- Non-deductible expenses	**70,022**	315,789	**22,098**	322,706
- Deferred tax not recognised	**(80,519)**	(18,088)	**(895)**	(1,720)
- Over provision in prior periods	**(17,272)**	-	**(17,272)**	-
Tax (credit)/charge	**(17,036)**	207	**(17,272)**	17,272

No provision for Malta Income Tax has been made in these financial statements since the Group and Company did not have any taxable profits.

9. EARNINGS/(LOSS) PER SHARE

9.1 Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the consolidated profit/(loss) for the year/period attributable to the ordinary equity holders and the Company's (loss)/profit divided by the average number of equity shares outstanding during the year/period.

NOTES TO THE FINANCIAL STATEMENTS - continued

9. EARNINGS/(LOSS) PER SHARE - continued

9.1 Basic earnings/(loss) per share - continued

	Group		Company	
	Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR	**Year to 30.06.10 EUR**	01.01.08 to 30.06.09 EUR
Profit/(loss) attributable to the ordinary equity holders/Company's (loss)/earnings	**106,148**	(850,189)	**(43,309)**	3,869,341
Average number of equity shares outstanding during the year/period	**31,899,000**	31,899,000	**31,899,000**	31,899,000
Basic earnings/(loss) per share attributable to the ordinary equity holders/Company's basic (loss)/earnings per share	**0c3**	(2c7)	**(0c1)**	12c1

9.1 Diluted earnings per share

As at the balance sheet date there are no instruments that could potential dilute ordinary shares.

10. PROPERTY, PLANT AND EQUIPMENT

Group	System infrastructure EUR	Equipment, furniture, & fittings EUR	Motor vehicles EUR	Factory improvements EUR	Total EUR
Cost					
At 1 January 2008	5,375,239	1,639,070	90,312	328,380	7,433,001
Additions	-	207,454	44,568	3,282	255,304
Disposals	-	(29,521)	(48,141)	-	(77,662)
At 30 June 2009	5,375,239	1,817,003	86,739	331,662	7,610,643
Additions	-	40,107	423	-	40,530
Disposals	(5,375,239)	-	(30,282)	-	(5,405,521)
At 30 June 2010	-	**1,857,110**	**56,880**	**331,662**	**2,245,652**
Depreciation and impairment losses					
At 1 January 2008	5,375,239	1,353,371	80,205	180,906	6,989,721
Depreciation charge for the period	-	145,425	10,245	31,618	187,288
Disposals	-	(19,453)	(48,141)	-	(67,594)
At 30 June 2009	5,375,239	1,479,343	42,309	212,524	7,109,415
Depreciation charge for the year	-	97,691	11,333	21,249	130,273
Disposals	(5,375,239)	-	(30,282)	-	(5,405,521)
At 30 June 2010	-	**1,577,034**	**23,360**	**233,773**	**1,834,167**
Net book value					
At 30 June 2010	-	**280,076**	**33,520**	**97,889**	**411,485**
At 30 June 2009	-	337,660	44,430	119,138	501,228
At 1 January 2008	-	285,699	10,107	147,474	443,280

NOTES TO THE FINANCIAL STATEMENTS - continued

10. PROPERTY, PLANT AND EQUIPMENT - continued

The system infrastructure whose use had become obsolete as a result of GSM technology, have been disposed during the year.

The carrying value of motor vehicles held under finance lease at 30 June 2010 stood at EUR1,471 (2009: EUR1,923).

As at 30 June, assets amounting to EUR865,533 (2009: EUR6,108,316) were fully depreciated.

11. INTANGIBLE ASSETS

Group

	Goodwill EUR	Software development EUR	Acquired software EUR	Total EUR
Cost				
At 1 January 2008	5,701,288	2,897,091	427,354	9,025,733
Additions	-	1,057,574	429	1,058,003
At 30 June 2009	5,701,288	3,954,665	427,783	10,083,736
Additions	-	295,296	6,000	301,296
At 30 June 2010	**5,701,288**	**4,249,961**	**433,783**	**10,385,032**
Amortisation and impairment losses				
At 1 January 2008	1,447,934	1,166,459	383,262	2,997,655
Amortisation charge for the period	-	855,490	21,256	876,746
At 30 June 2009	1,447,934	2,021,949	404,518	3,874,401
Amortisation charge for the year	-	673,558	12,079	685,637
Impairment charge for the year	12,736	-	-	12,736
At 30 June 2010	**1,460,670**	**2,695,507**	**416,597**	**4,572,774**
Net book value				
At 30 June 2010	**4,240,618**	**1,554,454**	**17,186**	**5,812,258**
At 30 June 2009	4,253,354	1,932,716	23,265	6,209,335
At 1 January 2008	4,253,354	1,730,632	44,092	6,028,078

Intangible assets are made up of goodwill, software development and acquired software. Software development includes capitalised labour cost incurred in the enhancement and development of software.

As at year end, EUR 175,857 (2009: EUR139,296) , relating to development of one of the subsidiary's software products, was not in the condition necessary for it to be capable of operating in the manner intended by management.

As at 30 June, assets amounting to EUR564,608(2009: EUR564,608) were fully amortised.

NOTES TO THE FINANCIAL STATEMENTS - continued

11. INTANGIBLE ASSETS - continued

11.1 Impairment test for the cash-generating units containing goodwill - current period

The Group performed its annual impairment test as at 30 June 2010. Since management only monitors revenue and directly attributable costs of its business units separately and the decision making process is managed on a group basis, the Group was considered to be a single cash generating unit.

The recoverable amount of the cash-generating unit has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a three year period. The cash flows beyond the budget period are extrapolated using a 6% (2009: 6%) growth rate for years four to eleven and 3% (2009: 3%) thereafter into perpetuity.

The key assumptions used in the value in use calculation are most sensitive to the following assumptions:

- Revenue growth rate (13% average) during the budgeted period;
- Growth rates (6% and 3%) beyond the budget period;
- Pre-tax discount rate (15.8%);

The Directors believe that any reasonably possible change in the key assumptions on which the recoverable amount of the cash-generating unit is based, would not cause its carrying amount to exceed its recoverable amount. Further details are provided in note 25 - Liquidity.

12. INVESTMENT IN SUBSIDIARIES

Company

	Capital subscribed EUR	Shareholders' contribution EUR	Total EUR
At 1 January 2008	429,187	9,997,142	10,426,329
Capitalisation of amounts receivable	2,000,002	(2,000,002)	-
New capital subscription	198	-	198
Waiver of amounts due from subsidiaries	-	(771,186)	(771,186)
Increase in amounts receivable	-	6,911	6,911
At 30 June 2009	2,429,387	7,232,865	9,662,252
New capital subscription	1	-	1
Decrease in amounts receivable	-	(6,917)	(6,917)
At 30 June 2010	**2,429,388**	**7,225,948**	**9,655,336**

NOTES TO THE FINANCIAL STATEMENTS - continued

12. INVESTMENT IN SUBSIDIARIES - continued

Ownership Interest

Significant Subsidiaries	Registered office	2010 %	2009 %	Nature of Business
Loqus Services Limited (formerly Datatrak Systems Limited)	F26, Mosta Technopark Mosta, MST 3000	99.9	99.9	Fleet management in Malta and back-office processing
Loqus Solutions Limited (formerly Datatrak Solutions Limited)	F26, Mosta Technopark Mosta, MST 3000	94.04	94.04	Software solutions
Loqus Consulting Limited (formerly Datatrak Business Consultancy Limited)	F26, Mosta Technopark Mosta, MST 3000	75.0	75.0	Consulting services
Loqus UK Ltd. (note i)	Treetops Cedar Drive, Snitterfield Stratford Upon Avon CV 37 OLJ, UK	100	-	Fleet Management in the UK
Datatrak IT Services Limited (note ii)	F26, Mosta Technopark Mosta, MST 3000	50.2	50.2	Software development and related services.
Datatrak Italia S.r.l. (note iii)	Via Paolo di Dono, 73 00142, Roma, Italia	55.0	55.0	Fleet management in Italy
Premiere Post Limited (note iii)	F26, Mosta Technopark Mosta, MST 3000	99.9	99.9	Postal Service

i. Loqus UK Ltd is a limited company registered on 2 July 2009 in the UK with an authorised share capital of 1,000 shares of GBP 1 each and an issued share capital of 1 share, fully paid up.

ii. Datatrak IT Services Limited has been dormant since 1 January 2008 and did not carry out any trading activity during the current year.

iii. The Company indirectly controls Datatrak Italia S.r.l. through Loqus Solutions Limited. The Company indirectly controls Premiere Post Limited through Loqus Services Limited.

iv. Datatrak IT Algerie Sarl is in the process of liquidation and the investment was full provided for in previous periods. Such subsidiary was not consolidated due to the fact that amounts are immaterial for the Group and no transactions were entered into during the year under review.

13. INVESTMENT IN ASSOCIATE

Group

The Group's investment in associate is analysed as follows:

	2010 EUR	2009 EUR
Investment in associated company:		
At 30 June	-	-

NOTES TO THE FINANCIAL STATEMENTS - continued

13. INVESTMENT IN ASSOCIATE - continued

The investment in the associated company is held through Loqus Solutions Limited.

Significant subsidiary	Registered office	Ownership interest 2010 %	Ownership interest 2009 %	Nature of business
Datatrak Nigeria Limited	Nigeria	30	30	Data network provider

The issued share capital of Datatrak Nigeria Limited is 85,000,000 shares of 1 Nigerian Naira each, fully paid up. All ordinary shares in the associate carry equal voting rights.

The Group has limited the recognition of losses of the associated company up to the extent of the value of the Group's interest in the enterprise. The Group does not have any exposure beyond its equity interest therein.

14. DEFERRED TAX

Group

As of 30 June 2010, the Group had deferred tax assets amounting to EUR4,341,815 (2009: EUR3,606,868). These deferred tax assets have not been recognised in these financial statements and will be recognised when utilised against future taxable profits.

These deferred tax assets are in respect of the tax effect of tax losses, capital allowances, investment tax credits and other temporary differences. These deductible temporary differences do not expire under current tax legislation.

Deferred tax assets relating to investment tax credits amount to EUR1,676,970. These are partly being contested by Malta Enterprise, however the directors are disputing the contestation.

Company

As of 30 June 2010, the Company had a deferred tax asset of EUR47,833 (2009: EUR48,727). These deferred tax assets have not been recognised in these financial statements and will be recognised when utilised against future taxable profits.

This deferred tax asset is in respect of the tax effect of tax losses and does not expire under current tax legislation.

15. INVENTORIES

	Group		Company	
	Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR	**Year to 30.06.10 EUR**	01.01.08 to 30.06.09 EUR
Raw materials and consumables	**10,483**	18,059	-	-

Raw materials and consumables of the Group are stated net of a provision for slow moving inventories amounting to EUR7,746 (2009: EUR658).

NOTES TO THE FINANCIAL STATEMENTS - continued

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
		01.01.08		01.01.08
	Year to	to	**Year to**	to
	30.06.10	30.06.09	**30.06.10**	30.06.09
	EUR	EUR	**EUR**	EUR
Trade receivables (note i)	**1,752,238**	1,321,076	-	-
Other receivables (note i)	**92,157**	35,676	**6,909**	7,390
Amounts owed by related parties (note ii)	**75,899**	9,019	**1,632**	302
Prepayments and accrued income	**191,033**	233,030	**1,684**	1,984
	2,111,327	1,598,801	**10,225**	9,676

i. Trade receivables and other receivables are stated net of impairment allowance, changes in which are presented below:

	Individually impaired		
	Trade receivables EUR	**Other receivables EUR**	**Total EUR**
At 1 January 2008	290,441	70,040	360,481
Movement for the period (note 6)	(173,276)	2,399	(170,877)
Utilised	(910)	-	(910)
At 30 June 2009	116,255	72,439	188,694
Movement for the year (note 6)	6	-	6
Utilised	-	-	-
At 30 June 2010	**116,261**	**72,439**	**188,700**

As at 30 June 2010, the ageing analysis of trade receivables was as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			<30 days	30-60 days	60-90 days
	EUR	EUR	EUR	EUR	EUR
30 June 2010	**1,752,238**	**968,259**	**131,362**	**76,501**	**576,116**
30 June 2009	1,321,076	302,102	158,030	183,145	677,799

Trade receivables are non-interest bearing and are generally on a 30 to 90 day term.

ii. Amounts due by related parties are interest free and repayable on demand. Amount due from associate of EUR227,728 (2009: EUR227,728) has been fully impaired.

NOTES TO THE FINANCIAL STATEMENTS - continued

17. CAPITAL AND RESERVES

17.1 Issued capital

	2010 EUR	2009 EUR
Authorised		
50,000,000 ordinary shares of EUR0.232937 each	**11,646,850**	11,646,850
Issued and fully paid		
31,899,000 ordinary shares of EUR0.232937 each, fully paid up	**7,430,457**	7,430,457

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

17.2 Share premium

	2010 EUR	2009 EUR
1 July	**3,372,414**	2,302,793
Increase following issuance of share capital	-	1,069,621
Write-off of share premium (note i)	**(2,525,313)**	-
At 30 June	**847,101**	3,372,414

i. At an Annual General Meeting held on 7 August 2008, the Company resolved to reduce the share premium by EUR2,525,313 to offset losses, which became effective in the year under review.

17.3 Capital redemption reserve

In terms of Section 115 (1) of the Companies Act, Cap. 386 of the Laws of Malta there is a capital maintenance requirement upon redemption of preference shares. Where preference shares are redeemed otherwise than out of proceeds of a fresh issue, an amount equivalent to the nominal amount of the preference shares being redeemed is to be transferred from distributable profits to a capital redemption reserve.

This reserve is non distributable by way of dividends. It may be applied by the Company in paying up unissued shares of the Company as fully paid bonus shares to the shareholders of the Company.

NOTES TO THE FINANCIAL STATEMENTS - continued

18. INTEREST BEARING LOANS AND BORROWINGS

Group

Bank borrowings comprise bank loans analysed as follows:

	2010 EUR	2009 EUR
Non-current liabilities		
- Bank loans (note i)	-	624,924
- Other borrowings (note ii)	**104,547**	140,347
- Obligation under finance lease (note iii)	-	575
	104,547	765,846
Current liabilities		
- Bank overdrafts (note 21)	**97,896**	170,966
- Bank loans (note i)	**779,672**	288,438
- Other borrowings (note ii)	**31,200**	13,000
- Obligation under finance lease (note iii)	**575**	984
	909,343	473,388
	1,013,890	1,239,234

As at 30 June 2010, the Group was in breach of bank covenants and all amounts outstanding to the bank were immediately due and payable. The Group's current liabilities exceeded its current assets by EUR2,052,613. Had the Group's not been in breach of bank covenants its current liabilities would have exceeded its current assets by EUR1,629,194. On 3 November 2010, the bank confirmed its support for the Group on the understanding that gradual improvement in the liquidity position is registered in line with the projections. This measure will be assessed quarterly and unless satisfactory progress is achieved within the timeframes established, the bank retained the right to appoint independent monitoring and control body to protect its position.

i. The Group has a total banking facility of EUR1,250,993 which include guarantee facilities of EUR323,020. Bank loans and overdraft bear interest ranging from 4.25% to 7% p.a. and are payable by 2014. The banking facilities are secured by general hypothec over the assets of subsidiaries, guarantees provided by Group companies, pledging of cash balances and by general hypothec over the assets, pledging of insurance policies and guarantees of the major shareholder.

ii. Other borrowings, which bear interest ranging from 0.75% to 2% p.a., are payable by 2015 and are secured by general hypothec over assets of a subsidiary and pledge of insurance policy.

iii. Obligations under finance lease, which bear interest at 8% p.a., are payable by 2011.

NOTES TO THE FINANCIAL STATEMENTS - continued

18. INTEREST BEARING LOANS AND BORROWINGS - continued

The table below shows the bank loans and other borrowings according to when they are expected to be repaid based on their contractual maturity. For the Group's exposure to liquidity, interest rates and foreign currency risks, see note 25.

	Group		Company	
	Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR	**Year to 30.06.10 EUR**	01.01.08 to 30.06.09 EUR
Between 1 and 2 years	**31,200**	262,348	-	-
Between 2 and 5 years	**73,347**	487,951	-	-
Over 5 years	-	15,547	-	-
	104,547	765,846	-	-

19. OTHER LIABILITIES

Group

Other liabilities represented non-current amounts with respect to other taxes and social security contributions. These amounts became due upon demand since the Group did not fully comply with the payment plan.

20. TRADE AND OTHER PAYABLES

	Group		Company	
	Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR	**Year to 30.06.10 EUR**	01.01.08 to 30.06.09 EUR
Trade payables (note i)	**1,548,544**	1,161,274	**103,544**	81,768
Trade payables to related parties (note ii)	**262,254**	234,776	-	5,570
Amounts payable to subsidiaries (note ii)	-	-	**878,593**	633,246
Other amounts payable to related parties (note iii)	**665,086**	841,964	**665,086**	841,964
Taxation	-	30,480	-	-
Other taxes and social security contributions (note 19)	**842,703**	389,495	-	-
Accruals and deferred income	**273,744**	379,477	**4,940**	35,483
	3,592,331	3,037,466	**1,652,163**	1,598,031

i. Amounts due to trade payables are unsecured, interest free and are generally on 30-90 days term.

ii. Trade payables to related parties are unsecured and bear no interest.

iii. Other amounts payable to related parties are unsecured and bear interest at 8%.

NOTES TO THE FINANCIAL STATEMENTS - continued

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand and balances with banks. Cash and cash equivalents included in the statement of cash flows reconcile to the amounts in the statement of financial position as follows:

	Group		Company	
	Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR	**Year to 30.06.10 EUR**	01.01.08 to 30.06.09 EUR
Bank balances (note i)	**320,051**	289,765	**68,314**	58,323
Bank overdraft (note 18)	**(97,896)**	(170,966)	-	-
Cash and cash equivalents	**222,155**	118,799	**68,314**	58,323

i. Bank balances are pledged as detailed in note 18.

22. COMMITMENTS

22.1 Operating lease commitments - Group as lessee

The Group leases factory facilities under cancellable operating lease agreements. The lease agreements run for an initial year of 16 years which initiated on 28 May 1998.

During the year ended 30 June 2010, operating leases amounted to EUR54,119 were recognised as an expense in the statement of comprehensive income (2009: EUR80,938).

22.2 Operating lease commitments - Group as lessor

A subsidiary company leases equipment to customers under operating leases amounting to EUR153,298 (2009: EUR152,698). Accumulated depreciation on these assets at year end amounted to EUR53,504 (2009: EUR22,904).

During the year ended 30 June 2010, EUR217,537 was recognised as rental income in the statement of comprehensive income (2009: EUR364,776) and EUR30,600 charged to the statement of comprehensive income in respect of depreciation relating to equipment under operating leases to customers (2009: EUR22,904).

The future minimum lease receivables under non-cancellable leases are as follows:

	Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR
Within one year	**261,551**	319,651
After one year but not more than five years	**344,304**	575,163
	605,855	894,814

NOTES TO THE FINANCIAL STATEMENTS - continued

22. COMMITMENTS - continued

22.3 Finance lease commitments - Group as lessee

The subsidiary has a finance lease for a motor vehicle. Obligations arising from the finance lease are disclosed in note 18.

22.4 Guarantees

The Company

The Company is a guarantor for EUR1,694,518 (2009: EUR1,374,518) and has cash balances pledged in respect to banking facilities provided to two group companies as detailed in note 18.

23. RELATED PARTY DISCLOSURES

Group

The related parties of the company with which the company had balances outstanding or transactions were as follows:

GO plc (shareholder of the company)
JFC Trading Limited
GDL Trading Limited

Transactions with related parties

During the year, the Group entered into various transactions with related parties, as follows:

	Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR
Expenses		
Telecommunication Expenses	**41,631**	56,289
Professional Fees	**53,315**	83,217
Other Administrative Expenses	**1,069**	2,523
Finance Expenses	**19,840**	26,650

Balances with related parties

Balances with related parties are disclosed in notes 16 and 20.

Key management personnel

The board of Directors are considered to be key management personnel. Total Directors remuneration is included in note 5 - Personnel Expenses. Wages and salaries also include an amount of EUR61,804 (2009: EUR92,706) paid as salaries to directors.

NOTES TO THE FINANCIAL STATEMENTS - continued

23. RELATED PARTY DISCLOSURES - continued

Company

Transactions with related parties

During the year, the Company entered into various transactions with related parties, as follows:

		Year to 30.06.10 EUR	01.01.08 to 30.06.09 EUR
Revenue	*Related Party*		
Finance Expenses	GO plc	**19,840**	26,650

Balances with related parties

Balances with related parties are disclosed in notes 16 and 20.

Key management personnel

Total remuneration is included in note 5 – Personnel Expenses.

24. EVENTS AFTER THE REPORTING DATE

On 31 August 2010, an agreement was reached with Teleclient System Integration SPA to purchase its shares in Datatrak Italia SRL (45%), making Loqus Solutions Limited the only shareholder in Datatrak Italia. An amount of EUR214,000 will be paid in consideration of the shares and in settlement of all amounts due to Teleclient System Integration SPA.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

NOTES TO THE FINANCIAL STATEMENTS - continued

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

The Group Audit Committee oversees how the management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

Credit risk

Credit risk is the risk of the financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade and other receivables

Aged receivables are regularly monitored in order to highlight potential credit risks and also to assist in cash flow. The Group's invoicing system contains specific payment terms which are enforced accordingly. Customers that are found to be in substantial arrears on settlement are contacted and should they not regulate their position, the service provided is terminated after giving sufficient notice. The report is monitored both by the accounts and sales departments in order to ensure that the credit limits and terms are adjusted accordingly. Customers that are considered to be a credit risk are referred to the Chief Financial Officer for appropriate action.

The Group does not require collateral in respect of trade and other receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are specific loss component that relates to individually significant exposures.

Exposure to credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The Group's exposure to concentration of risk arises from activity exceeding 25% of its revenues. At year end the Group had EUR980,323 (2009: EUR510,715) owed by a major customer representing 56% (2009: 39%) of the Group's total trade receivables. This customer generated EUR2,593,532 (2009:EUR696,425) of the Group's total revenue, representing 58% (2009:15%) of the Group's total revenue.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

To counter the downturn in our traditional markets (with regard to our products) the Group has strategically positioned itself to be highly competitive with its projects. Management has assessed and identified core strengths which we can leverage when it comes to providing successful solutions in projects; and utilising these to provide clients early return on their investment while keeping project costs low.

NOTES TO THE FINANCIAL STATEMENTS - continued

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Liquidity risk - continued

This constructive revised direction coincides with the fact that government has issued or is issuing a number of large tenders, of which we have won a significant percentage and feel we are in a good position to compete in upcoming ones. The Group is undertaking a tighter project management regime; with emphasis on remaining cost efficient and continuing to improve performance month on month.

Further cost cutting including a significant staff reduction programme has already has been in place since the year end. We have also managed to negotiate an agreement with our bankers which frees money which the Group had tied up in performance guarantees and bid bonds relating to government tenders. We are negotiating financing both with local and international banks to reduce the burden that long term annuity based projects have over our cash flow position. These efforts together with contracts worth over EUR3million won since June 2010 will assure ongoing liquidity.

Furthermore, the Group maintains lines of credit as disclosed in notes 18 and 19 to these financial statements and loans advanced by major shareholders as disclosed in note 20.

Contractual maturities

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

Year ended 30 June 2010

	Carrying amount EUR	Contractual Cash flows EUR	Less than 6 months EUR	6 to 12 months EUR	1 to 2 years EUR	2 to 5 years EUR	More than 5 years EUR
Bank loans	779,672	779,672	779,672	-	-	-	-
Other borrowings	136,322	139,730	16,826	16,172	64,194	42,538	-
Other liabilities	-	-	-	-	-	-	-
Trade and other payables	3,592,331	3,592,331	3,592,331	-	-	-	-
Bank overdraft	97,896	97,896	97,896	-	-	-	-
	4,606,221	**4,609,629**	**4,486,725**	**16,172**	**64,194**	**42,538**	-

Period ended 30 June 2009

	Carrying amount EUR	Contractual Cash flows EUR	Less than 6 months EUR	6 to 12 months EUR	1 to 2 years EUR	2 to 5 years EUR	More than 5 years EUR
Bank loans	913,362	1,055,340	70,000	232,942	279,768	364,224	108,406
Other borrowings	154,906	168,226	2,613	15,645	36,367	98,742	14,859
Other liabilities	321,606	321,606	-	-	214,404	107,202	-
Trade and other payables	3,037,466	3,037,466	2,930,264	107,202	-	-	-
Bank overdraft	170,966	170,966	170,966	-	-	-	-
	4,598,306	**4,753,604**	**3,173,843**	**355,789**	**530,539**	**570,168**	**123,265**

NOTES TO THE FINANCIAL STATEMENTS - continued

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income and equity. The Group had limited exposure to foreign exchange risk, while interest on borrowings is denominated in Euro which matches the cash flows, generated by the underlying operations of the Group. The Group's interest bearing loans and borrowings are priced at a margin over the bank's Base rate, which reflects local market rates. Bank borrowings are hence repriceable when the Company's bankers amend their base rate.

Currency risk

Exposure to currency risk

All the Group's assets and liabilities are denominated in the functional currency except the following trade receivables (based on notional amounts):

	30.06.10		30.06.09	
	GBP	**USD**	GBP	USD
Trade receivables	**120,677**	**-**	10,472	-
Trade payables	**-**	**(64,353)**	(40,000)	(15,223)
	120,677	**(64,353)**	(29,528)	(15,223)

The following significant exchange rates applied during the year/period:

	Average rate		**Reporting date spot rate**	
	30.06.10	30.06.09	**30.06.10**	30.06.09
GBP1	**0.8792**	0.8286	**0.8175**	0.8521
USD1	**1.3916**	1.4248	**1.2271**	1.4134

The Group's exposure to currency risk is therefore limited, as shown in the table above.

Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Notes 16, 18 and 20 incorporate information with respect to the Company's assets and liabilities exposure to interest rates. Up to the reporting date the Company did not have any hedging policy with respect to interest rate risk as exposure to such risks was not deemed to be significant by the Directors.

The interest rate risk and terms of repayment of interest-bearing instruments at reporting date are set out in notes 18 and 20 to the financial statements.

Interest rates in bank borrowings are established at a margin over the banker's base rate, whilst other borrowings are established at a margin below the ECB's base rate. Borrowings are hence repriceable when base rates are amended.

NOTES TO THE FINANCIAL STATEMENTS - continued

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Interest rate risk - continued

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit before tax, based on the balances at year end.

	Increase/ decrease in basis points	Effect on profit before tax EUR 000
2010	**+100/-100**	**(10)/10**
2009	+100/-100	(12)/12

Fair values

The fair values of the financial assets which are measured at amortised cost are not materially different from their carrying amount.

Capital management

Capital includes equity attributable to equity holders of the parent. The primary objective of the Group and the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Group and the Company manage their capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group and the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or process during the year/period.

OTHER DISCLOSURES IN TERMS OF THE LISTING RULES

Share Capital Structure

In the year under review, the Company's authorised share capital was eleven million six hundred and forty six thousand eight hundred and fifty euro (EUR11,646,850) divided into fifty million (50,000,000) ordinary shares of EUR0.232937 per share. The Company's issued share capital was seven million four hundred and thirty thousand four hundred fifty eight Euro (EUR7,430,458) divided into thirty one million eight hundred and ninety-nine thousand (31,899,000) ordinary shares having a nominal value EUR0.232937 per share.

All of the issued shares of the Company form part of one class of ordinary shares in the Company, which shares are listed on the Malta Stock Exchange. All shares in the Company have the same rights and entitlements and rank *pari passu* between themselves.

Dividends: The shares carry the right to participate in any distribution of dividend declared by the Company in general meeting on the recommendation of the Directors.

Voting Rights: Each share entitles its holder to one vote per share at meetings of shareholders.

Pre-emption rights: None

Transferability: All the shares are freely transferable in accordance with the rules and regulations of the Malta Stock Exchange, applicable from time to time.

There are no agreements between shareholders which are known to the Company and may result in restrictions on the transfer of securities and/or voting rights.

Mandatory takeover bids: Chapter 18 of the Listing Rules, implementing the relevant Squeeze-Out and Sell-Out Rules provisions of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004, regulates the acquisition by a person or persons acting in concert of the control of a company and provides specific rules on takeover bids, squeeze-out rules and sell-out rules. The shareholders of the Company may be protected by the said Listing Rules in the event that the Company is subject to a Takeover Bid (as defined therein). The Listing Rules may be viewed on the official website (www.mfsa.com.mt) of the Listing Authority.

Holdings in excess of 5% of the share capital

On the basis of the information available to the Company, the direct and indirect shareholders as at the 30 June 2010 and 20 January 2011 in excess of 5% of the share capital of the Company are the following:

	30 June 2010		20 January 2011	
	Number of Shares	Holding %	Number of Shares	Holding %
JFC Holdings Ltd	15,949,500	50.00	15,949,500	50.00
Go plc	4,784,850	15.00	4,784,850	15.00

OTHER DISCLOSURES IN TERMS OF THE LISTING RULES - continued

Appointment and replacement of Directors (in terms of articles 54 to 60 of the Company's Articles of Association)

The Directors of the Company must be individuals.

1. The Directors shall be appointed as follows:

a. A Member holding not less than ten per cent of the Equity Securities having voting rights or a number of Members who between them hold not less than ten per cent of the Equity Securities are entitled to appoint one Director for every ten per cent holding, by letter to the Company. In the event that any such appointment is intended to fill a vacancy resulting from the retirement of a Director at an annual general meeting, any such letter may be sent in advance of the annual general meeting in question and the appointment thereby has effect immediately at the end thereof;

b. Any Member who (i) does not qualify to appoint Directors in terms of the provisions abovementioned (1a) and (ii) any Member who, although qualified as aforesaid has not voted all his equity securities having voting rights (or some of them) for the purposes of appointing a Director(s) pursuant thereto, shall be entitled to vote such of his equity securities as shall not have been so voted on any resolution or resolutions to fill vacancies in the Board of Directors.

An election pursuant to point 1(b) above shall be held every year, if there are vacancies on Board which are not filled by the appointment of Directors pursuant to point 1(a) above.

Unless they resign or are removed, Directors shall hold office up until the end of the Annual General Meeting next following their appointment. Directors whose term of office expires or who resign or are removed are eligible for re-appointment.

In the event that there are, or are to be, vacancies in the Board of Directors which will not be filled by appointments made pursuant to point 1(a) above, the Company shall grant a period of at least 14 days to Members to nominate candidates for appointment as Directors. Such notice may be given by the publication of an advertisement in at least 2 daily newspapers. All such nominations shall on pain of disqualification be made on the form to be prescribed by the Directors from time to time and shall reach the office not later than 14 days after the publication of the said notice.

In respect of the appointment of Directors pursuant to point 1(b) above every Member or group of Members holding alone or between them at least EUR232,937 in nominal value of equity securities entitled to vote in terms of that point 1(b) above shall be entitled to nominate one person to stand for appointment as Director.

Unless a Member demands that a vote be taken in respect of all or any one or more of the nominees, in the event that there are as many nominations as there are vacancies or less, no voting will take place and the nominees will be deemed appointed Directors.

2. The Directors shall be replaced as follows:

Any Director may be removed at any time by the Member or Members by whom he was appointed. The removal may be made in the same manner as the appointment.

Any Director may be removed at any time by the Company in general meeting pursuant to the provisions of section 140 of the Companies Act, Cap. 386 of Malta.

Without prejudice to the provisions of the Companies Act, Cap. 386 of the Laws of Malta, the office of a Director shall 'ipso facto' be vacated:-

a. If, by notice in writing to the Company, he resigns from the office of Director; or

b. If he absents himself from the meetings of the Directors for a continuous period of 3 calendar months without leave of absence from the Directors and the Directors pass a resolution that he has, by reason of such absence, vacated office; or

c. If he violates the declaration of secrecy required of him under the Articles and the Directors pass a resolution that he has so violated the declaration of secrecy; or

d. If he is prohibited by or under any law from being a Director; or

e. If he is removed from office pursuant to the Articles of Association or the Companies Act; Cap. 386 of the Laws of Malta or

f. If he becomes of unsound mind, or is convicted of any crime involving public trust, or declared bankrupt during his term of office and the Directors pass a resolution that he has for such reasons vacated office.

A resolution of the Directors declaring a Director to have vacated office as aforesaid shall be conclusive as to the fact and the grounds of vacation stated in the resolution.

Any vacancy among the Directors may be filled by the co-option of another person to fill such vacancy.

Such co-option shall be made by the Board of Directors. Any vacancy among the Directors filled as aforesaid, shall be valid until the conclusion of the next annual general meeting.

In the event that at any time and for any reason the number of Directors falls below the minimum number established by the Memorandum of Association of the Company then, notwithstanding the provisions regulating the quorum for meetings of the Directors, the remaining Directors may continue to act notwithstanding any vacancy in their body, provided they shall, with all convenient speed, and under no circumstances later than 3 months from the date upon which the number of Directors has fallen below the minimum, convene a general meeting for the sole purpose of appointing/electing the Directors.

Amendment of the Memorandum and Articles of Association

In terms of the Companies Act, Cap. 386 of Malta, the Company may by extraordinary resolution at a general meeting alter or add to its memorandum or articles of association. An extraordinary resolution is one where:

a. it has been taken at a general meeting of which notice specifying the intention to propose the text of the resolution as an extraordinary resolution and the principle purpose thereof has been duly given.

b. it has been passed by a shareholder or shareholders having the right to attend and vote at the meeting holding in the aggregate not less than seventy five per cent (75%) in nominal value of the shares issued by the Company represented and entitled to vote at the meeting and at least fifty one per cent (51%) in nominal value of all the shares issued by the Company and entitled to vote at the meeting.

OTHER DISCLOSURES IN TERMS OF THE LISTING RULES - continued

Amendment of the Memorandum and Articles of Association - continued

Provided that, if one of the aforesaid majorities is obtained but not both, another meeting shall be convened within thirty (30) days in accordance with the provisions for the calling of meetings to take a fresh vote on the proposed resolution. At the second meeting the resolution may be passed by a shareholder or shareholders having the right to attend and vote at the meeting holding in the aggregate not less than seventy five per cent (75%) in nominal value of the shares issued by the Company represented and entitled to vote at the meeting. However, if more than half in nominal value of all the shares issued by the Company having the right to vote at the meeting is represented at that meeting, a simple majority in nominal value of such shares so represented shall suffice.

Provided further that in respect of a resolution for a change in the public limited company status of the Company the requisite majority shall be not less than ninety five per cent (95%) of the nominal value of the shares entitled to attend and vote at the general meeting.

Board Member Powers

The Directors are vested with the management of the Company, and their powers of management and administration emanate directly from the memorandum and articles of association and the law. The Directors are empowered to act on behalf of the Company and in this respect have the authority to enter into contracts, sue and be sued in representation of the Company. In terms of the Memorandum and Articles of Association they may do all such things that are not by the Memorandum and Articles of Association reserved for the Company in general meeting or by any provision contained in any law in force at the time.

Subject to regulatory requirements, the Company may in accordance with Article 10 of its Articles of Association, acquire its own shares.

Other

There are no special control rights.

There are no significant agreements to which the Company is a party and which take effect, alter or terminate upon a change of control of the Company following a take-over bid.

There are no Agreements between the Company and its Board Members or employees by providing for compensation if they resign or are made redundant without valid reason or if their employment ceases because of a takeover bid.

STATEMENT BY THE DIRECTORS ON THE FINANCIAL STATEMENTS AND OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

Pursuant to Listing Rule 9.36.2, we, the undersigned, declare that to the best of our knowledge, the financial statements included in the Annual Report and prepared in accordance with the requirements of International Financial Reporting Standards as adopted by the European Union give a true and fair view of the assets, liabilities, financial position and profit of the Group and that this report includes a fair review of the development and performance of the business and position of the Company, together with a description of the principal risks and uncertainties that it faces.

Signed on behalf of the Board of Directors by

WALTER BONNICI	**JOSEPH FENECH CONTI**
Chairman	Director

31 January 2011

SHAREHOLDER REGISTER INFORMATION

Directors' Interests in the Company as at 30 June 2010 and as at 20 January 2010.

Shareholder Range	Ordinary shares held as at 30.06.10	Ordinary shares held as at 20.01.11	Movement in Shares held by Directors
Chev. Anthony Demajo	1,350,750	1,350,750	-

Mr. Joseph Fenech Conti has a beneficial interest of 15,949,500 shares currently registered in the name of JFC Holdings Limited. Mr. Walter Bonnici has a beneficial interest of 1,434,030 shares currently registered in the name of GDL Trading and Services Limited. There have been no changes after year-end up to 20 January 2011.

Holders holding 5% or more of the Share Capital at 30 June 2010 and at 20 January 2011.

	Ordinary Shares of EUR0.2329374 each at:			
	30.06. 10		20.01.11	
	Number of shares	Holding (%)	Number of shares	Holding (%)
JFC Holdings Limited	15,949,500	50.00	15,949,500	50.00
GO P.L.C.	4,784,850	15.00	4,784,850	15.00

Number of holders

The total number of shareholders at year end was 1,563. As at 20 January 2011, 1,567 shareholders held the Company's issued share capital consisting of 31,899,000 shares. All shares are of equal class and carry equal voting rights.

Shareholder Range	Number of holders at 30.06.10	Number of Holders at 20.01.11	Movement in holders increase /(decrease)
1 - 500 shares	**383**	**388**	**5**
501 - 1,000 shares	**436**	**433**	**(3)**
1,001 - 5,000 shares	**630**	**631**	**1**
5,001 and over	**114**	**115**	**1**
	1,563	**1,567**	**4**

Company Secretary and Registered Address

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Mosta MST 3000
Malta