Interactive Projects Limited

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2006

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COMPANIES HOUSE

Company Registration No. 4327499

Interactive Projects Limited
DIRECTORS AND ADVISERS

DIRECTORS

C D Buck
T Couling
M Cowley
T Cowley
T D Evans
C P Knapton

SECRETARY

T Couling

COMPANY NUMBER

4327499 (England and Wales)

REGISTERED OFFICE

Lydden House
Wincombe Business Park
Shaftesbury
Dorset
SP7 9QJ

BANKERS

HSBC Bank plc
Norwich House
Commercial Road
Southampton
SO15 1WJ

Interactive Projects Limited

DIRECTORS' REPORT

The Directors present their report and financial statements of Interactive Projects Limited for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

The principal activities of the Company during the year were project management and design.

POST BALANCE SHEET EVENT

On 26 May 2006 100% of the share capital of the Company was purchased by Trakm8 Holdings plc, a public company listed on the Alternative Investment Market of the London Stock Exchange.

DIRECTORS AND THEIR INTERESTS

The following directors have held office since 1 April 2005:

M Boobyer	(Resigned 26 May 2006)
R Bromwich	(Resigned 26 May 2006)
C D Buck	(Appointed 26 May 2006)
P Collins	(Resigned 26 May 2006)
T Couling	(Appointed 26 May 2006)
M Cowley	(Resigned 14 April 2005. Reappointed 26 May 2006)
T Cowley	
T Evans	(Appointed 26 May 2006)
C Fisher	(Resigned 26 May 2006)
C Fudge	(Resigned 26 May 2006)
C Knapton	(Appointed 26 May 2006)
J Latham	(Resigned 26 May 2006)
P Sheldrake	(Resigned 26 May 2006)
B Webb	(Resigned 26 May 2006)
A R D White	(Resigned 16 October 2006)

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the Company, including family interests, were as follows:

	Ordinary shares of £1 each	
	31 March 06	1 April 05
M Boobyer	6,188	6,188
R Bromwich	2,500	2,500
C D Buck	-	-
P Collins	17,447	17,447
T Couling	-	-
M Cowley	9,137	9,137
T Cowley	8,995	8,995
T Evans	-	-
C Fisher	1,878	1,878
C Fudge	5,609	5,609
C Knapton	18,214	18,214
J Latham	7,500	7,500
P Sheldrake	8,995	8,995
B Webb	5,123	5,123
A R D White	8,414	8,414

DISABLED EMPLOYEES

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.

Should existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to such employees as appropriate.

GOING CONCERN

The Directors have formed the judgement that at the time of approving the financial statements the Company had adequate resources to continue in existence for the foreseeable future. Therefore the Directors consider the adoption of the going concern basis in preparing the financial statements to be appropriate.

POLITICAL AND CHARITABLE DONATIONS

The Company made no political or charitable donations in the year.

T Couling
Company Secretary

Interactive Projects Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and estimates that are reasonable and prudent;

c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are 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 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Interactive Projects Limited

BALANCE SHEET

31 March 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Intangible assets	4	200,000	200,000
Tangible assets	5	40,726	21,735
		240,726	221,735
CURRENT ASSETS			
Stocks	6	46,480	33,839
Debtors	7	68,940	108,069
Cash at bank and in hand		164	58,861
		115,584	200,769
CREDITORS: Amounts falling due within one year	8	(176,433)	(96,273)
NET CURRENT ASSETS		(60,849)	104,496
TOTAL ASSETS LESS CURRENT LIABILITIES		179,877	326,231
CREDITORS: Amounts falling due after more than one year	9	(138,393)	(213,888)
		41,484	112,343
CAPITAL AND RESERVES			
Called up share capital	10	10,000	10,000
Share premium account	11	957	957
Revaluation Reserve	11	192,000	192,000
Profit and loss account	11	(161,473)	(90,614)
SHAREHOLDERS' FUNDS		41,484	112,343

The Directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

Interactive Projects Limited
BALANCE SHEET (*continued*)

Directors' statements required by section 249B(4) for the year ended 31 March 2006

In approving these financial statements as Directors of the company we herby confirm:

(a) that for the year stated above the Company was entitled to the exemption conferred by section 249A(1) of the Companies Act 1985

(b) that no notice has been deposited at the registered office of the Company pursuant to section 249B(2) requesting that an audit be conducted for the year ended 31 March 2006 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the Company keeps accounting records which comply with section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the year ended in accordance with the requirements of section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the Company.

These financial statements are prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies and in accordance with the financial reporting standard for smaller Entities (effective June 2002)

Approved by the Board and authorised for issue on 9th January 2007.

C Knapton
Director

T Couling
Director

1. BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

INTANGIBLE FIXED ASSETS

Intangible fixed assets are valued based on the Directors' best estimate of their current fair value.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Furniture, fixtures and equipment	25% reducing balance
Computer equipment	33% straight line

STOCK

Stock is valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

DEFERRED TAXATION

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the Directors consider that a liability to taxation is unlikely to materialise.

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

TURNOVER

Turnover represents the total of amounts receivable for goods and services provided excluding value added tax. Turnover is recognised on the delivery of the goods to the customer.

OPERATING LEASES

Annual rental payable on operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2. SEGMENTAL ANALYSIS

All turnover, profits and net assets are derived from the Company's principal activities which were wholly undertaken in the UK.

3. OPERATING LOSS

	2006	2005
	£	£
Operating Loss is stated after charging:		
Depreciation of tangible assets:	28,249	7,138

4. INTANGIBLE ASSETS

	2006	2005
	£	£
As at 1 April	200,000	200,000
Change during the year	-	-
As at 31 March	200,000	200,000

Intangible Assets are represented by Intellectual Property owned by the Company. The Directors have reviewed the valuation of the Intangible assets as at 31 March 2006.

5. TANGIBLE FIXED ASSETS

	Furniture, fixtures and equipment	*Computer equipment*	*Total*
	£	£	£
Cost			
1 April 2005	10,042	26,136	36,178
Additions	40,162	7,078	47,240
31 March 2006	50,204	33,214	83,418
Depreciation			
1 April 2005	4,702	9,741	14,443
Charge in the year	12,611	15,638	28,249
31 March 2006	17,313	25,379	42,692
Net book value			
31 March 2006	32,891	7,835	40,726
31 March 2005	5,340	16,395	21,735

6. STOCKS

	2006	2005
	£	£
Finished goods and goods for resale	46,480	33,839

7. DEBTORS

	2006	2005
	£	£
Trade debtors	39,580	93,809
Other debtors	-	10,000
Prepayments and accrued income	29,360	4,260
	68,940	108,069

8. CREDITORS: Amounts falling due within one year

	2006	2005
	£	£
Bank overdraft	2,202	-
Bank loans	35,714	-
Other loan	10,000	-
Trade creditors	56,510	55,267
Taxes and social security costs	38,571	27,486
HP Creditor	26,087	-
Other creditors	1,361	-
Accruals and deferred income	5,988	13,520
	176,433	96,273

The other loan is from Trakm8 Ltd. The loan is unsecured and interest free.

9. CREDITORS: Amounts falling due in more than one year

	2006	2005
	£	£
Bank loans	138,393	213,888

The Bank loans are two loans provided by National Westminster Bank under the Small Firms Loan Guarantee Scheme. Each loan is repayable at the rate of £1,488 per month and interest is payable at the rate of 3.5% over Base rate.

10. SHARE CAPITAL

	2006	2005
	£	£
Authorised:		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, issued and fully paid:		
10,000 Ordinary shares of £1 each	10,000	10,000

11. STATEMENT OF MOVEMENT ON RESERVES

	Share premium	Revaluation Reserve	Profit and loss account
	£	£	£
1 April 2005	957	192,000	(90,614)
Retained loss for the year	-	-	(70,859)
31 March 2006	957	192,000	(161,473)

12. FINANCIAL COMMITMENTS

At each year end the Company was committed to making the following payments during the next year in respect of operating leases:

	2006	2005
	£	£
Land and buildings		
Expiring within two to five years	12,860	-

The above commitment relates to a lease on Units 7 & 8 with Tarhinton Farms Ltd. In May 2006 this lease was cancelled and a new lease was signed with Tarhinton Farms Ltd on Units 3, 4 & 12.

13. SUBSEQUENT EVENTS

On 26th May 2006 the whole of the share capital of the Company was acquired by Trakm8 Holdings PLC. The consideration paid was £100,000 in cash and the issue of 446,428 ordinary shares in Trakm8 Holdings PLC.

14. RELATED PARTY TRANSACTIONS

Trakm8 Ltd is a company wholly owned by Trakm8 Holdings PLC. The majority of shareholders in IPL were also shareholders in Trakm8 Holdings during the year. In addition M Cowley & A R D White were directors of both companies during the year. Trakm8 Holdings acquired IPL on 26th May 2006.
During the year the Company sold products and services totalling £560,087 to Trakm8 Ltd and received products and services totalling £6,258 from Trakm8 Ltd. At 31st March 2006 a net trading balance of £516.03 was owed by Trakm8 Ltd to the Company. In addition the Company has an outstanding loan of £10,000 with Trakm8 Ltd.