



Annual Report & Accounts 2008

Background

Tracsis was founded in January 2004 to commercialise world class research and expertise developed in the field of transport scheduling at the University of Leeds.

The Company has developed a range of products that assist in the development of optimised crew schedules for all types of on-board labour, primarily automated resource scheduling software for worldwide transport markets.

The business owns several software applications that were designed to optimise on-board crew resources for passenger bus and train operators. Tracsis is led by a team of experienced commercial and technical professionals who are recognised as specialists in their field. Our software is recognised as the most advanced intelligent crew scheduling application available and is widely used by many large transport operators.

Tracsis works with the majority of large UK bus and rail operators such as Arriva, First Group, Govia, National Express, Sea Containers, Stagecoach and Virgin.

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Operational highlights

- Trading profitably in line with expectations:
 - Revenue up 8% to £805,000 (2007: £742,000).
 - Profit before tax of £393,000 (2007: £422,000) after charging £61,000 (2007: £6,000) in respect of the fair value of stock options.
 - Contracts signed or in negotiation for revenue of over £1.5 million for the year ending 31 July 2009.
- Placing and admission to AIM on 27 November 2007 raising £1.7 million (net of expenses).
- Strong and growing balance sheet. At year end:
 - Net assets of £2.59 million (2007: £646,000).
 - Cash balances of £1.9 million (2007: £715,000).
 - The Company is debt free.
- Significant client wins in the year including Virgin West Trains, Arriva Cross Country and Southeastern Railway.
- Since the year end the Company has completed a further placing and the acquisition of profitable rail consultancy RWA Rail Limited on 5 August 2008. Tracsis and RWA Rail operate within the same sector and have a similar customer profile; the enlarged group will benefit from cross-selling opportunities and an enhanced business delivery capability.
- Favourable market drivers suggest continued growth for the future, most notably a rise in UK passenger rail journeys and derived revenue.

Chairman's and Chief Executive Officer's Report

Introduction

We are pleased to report on a year of continued growth, development of the business and a financially healthy company, making inroads into the transport market.

These results cover a period of corporate activity which included the initial placing and admission to AIM (completed November 2007), followed by the Company's first acquisition of RWA Rail Limited (completed 5 August 2008), more details of which are set out below.

Business Description

Tracsis Plc is a provider of resource optimisation software and consultancy services to companies in the passenger transport industries (primarily passenger bus and rail). The Company's core product suite is used to automate and optimise the process by which labour schedules are created and allows for this activity to be done with greater speed and with a higher degree of efficiency than existing methods.

The Company has contracts in place with some of the largest transport operators throughout the UK and operates a revenue model that provides a high percentage of recurring revenue. The Company's goal is to become a leading provider of operational planning software and consultancy services to global transport markets.

Financial Summary

Following our admission to AIM a year ago, we are pleased to report maiden results showing that trading has been profitable and in line with expectations. Revenue for the year increased 8% to £805,000 (2007: £742,000).

Profit before tax for the year amounted to £393,000 (2007: 422,000) which is stated after charging £61,000 (2007: £6,000) in respect of a fair value charge for stock options.

The Company has a stronger balance sheet, with net assets of £2,592,000 as at 31 July 2008 (2007: £646,000). The Company has cash and cash equivalents totalling £1,898,000, a substantial increase from the balance of £715,000 at 31 July 2007. Furthermore, the Company has no bank debt or long term liabilities.

Our new client wins this year include some of the largest and most complex rail operators in the UK and were testament to our continued investment in client support and product innovation which is rapidly securing our position as the leading provider of resource optimisation software. Looking forwards, we have good visibility of over £1.5 million revenue for the year ending 31 July 2009 with a significant portion of this already secured under contract.

Trading Progress

During the year the Company has made good trading progress, with growth into the core transport markets.

At the interim stage, we reported a number of key milestones had been achieved. Notable amongst these was the securing of contracts with a further three passenger train operating companies (TOCs): West Coast Trains (Virgin Rail Group), Cross Country (Arriva) and Southeastern Railway (Govia).

This was accomplished partly through the strengthened sales and marketing channels, which have been significantly expanded since January. We plan to increase our range of products and, in collaboration with one of our existing customers, are nearing the completion of a new intelligent rostering suite.

This will be a compatible downstream solution that interfaces with our core scheduling product and should lead to new revenues from both new and existing customers.

Overall, due to underlying growth in public transport markets, the Company has remained largely insulated from the general economic downturn. The Directors believe that, although cautious in terms of investment and expenditure, our clients continue to look for innovative solutions to provide a more effective delivery of passenger services whilst managing overhead cost.

Moreover, recent trading reports from the major publicly quoted rail and bus companies paint a picture of growth. Expectations are of this continuing in the face of changing socio-economic pressures in Britain, which favour a shift towards public transport (especially passenger rail).

There was a 7.1% increase in rail passenger journeys through 2007-2008 compared to the same period over 2006-2007, now totalling 1.2 billion per annum. As commuters make the change to rail travel there has been a 10.8% increase in revenue generated by rail passengers over the last year with fares alone accounting for some £5.6 billion.

Any rise in passenger demand should in turn drive additional rail services and the supporting infrastructure in back office planning capabilities such as those provided by Tracsis.

Chairman's and Chief Executive Officer's Report

continued

RWA Rail acquisition

On 18 July 2008, the Company announced the acquisition of RWA Rail Limited ("RWA") for an initial cash consideration of £580,000 and the issue of 1,084,113 new Ordinary Shares. RWA is a provider of consultancy services to the rail sector, focusing on operational and strategic planning. Accordingly this will enable the enlarged group to provide a wider range of services to a more diverse client base.

As Tracsis and RWA operate within the same sector and have a similar customer profile, the enlarged group will benefit from cross-selling opportunities and an enhanced business delivery capability. RWA generated revenue of £1,019,000 in the year ended 31 March 2008 resulting in EBIT of £293,000.

We welcome Robert Watson, the founder and Managing Director of RWA to the Board in his new capacity as Chief Operating Officer of Tracsis. Robert brings with him valuable experience and knowledge of UK and international rail markets and his addition is a huge benefit to the enlarged group.

Staff

The above acquisition brings the complement of employees to 25 split across our Leeds and Loughborough locations. The Board would like to thank management and staff for their commitment and hard work during a year of rapid evolution for the Company.

Outlook

Tracsis remains uniquely positioned to continue growing organically and via opportunistic acquisitions. The Company has developed good relationships with major transport operators within a market that continues to grow, and can be reactive to future growth opportunities due to a strong financial position. We believe the year ahead presents good potential to extend our customer base and we anticipate a favourable trading period ahead.

Rod Jones, Chairman

John McArthur, Chief Executive Officer

4 December 2008

Board of Directors

Rodney Jones (56)

Chairman

Rod has held a number of senior management roles in several different technology companies including European Vice President at Cincom Systems Inc., International Director of Western Data Systems Inc. and President of NASDAQ listed Ross Systems Inc. He is currently Chief Executive Officer of Proactis Holdings plc, an AIM quoted provider of spend control software.

Dr Raymond Kwan (50)

Chief Technical Officer

Raymond is the Chief Technical Officer of Tracsis. He has a PhD in computer science and has dedicated his career to researching complex scheduling problems within the transport industry. Prior to the incorporation of Tracsis, Raymond worked as a senior lecturer within the School of Computing at the University of Leeds, where he continues his research on a part time basis. Raymond has written a number of research papers published in journals covering driver scheduling.

Darren Bamforth (39)

Finance Director

Darren has been the Finance Director of the Company, on a part-time basis, since the formation of Tracsis. He is a fellow of the Institute of Chartered Accountants in England and Wales and a Director of Atraxa Consulting Limited, his own business advisory practice which specialises in supporting early stage and growing companies. Prior to establishing his own practice in 2002, Darren was a Senior Manager with KPMG where he was responsible for a portfolio of clients in the SME sector. Darren is also an executive director of Syntopix Group Plc.

Charles Winward (38)

Non-Executive Director

Charles is an Investment Manager at IP Group plc, a company which holds shares in Tracsis through IP Group's subsidiary Techtran Group Limited. Charles joined IP Group in April 2007 to manage investments in Top Technology Ventures Limited, IP Group plc's venture capital fund management subsidiary. Top Technology Ventures Limited manages the IP Venture Fund which has also invested in Tracsis. Previously Charles was Vice President of Technology Infrastructure at JP Morgan Chase & Co, where he worked in a variety of roles in London, New York and Brussels, and an investment manager at Axiomlab Group plc. Charles has an MBA from the University of California at Berkeley and a Bachelors Degree in mechanical engineering from the University of Bristol.

John McArthur (33)

Chief Executive Officer

John has been the Chief Executive Officer of Tracsis since the formation of the company in January 2004. Prior to this he worked as an investment manager with Techtran Group Limited which specialises in developing the commercial potential of intellectual property developed at the University of Leeds. John also worked for several years with Axiomlab Group plc, a technology venture capital company, having started his career with Arthur Andersen & Co. He holds a first class degree in Management Science from the University of Strathclyde in Glasgow.

Robert Watson (49)

Chief Operating Officer

Robert is the founder and Chief Executive Officer of RWA Rail Limited, which has been acquired by Tracsis plc subsequent to the year end. Before RWA Rail's inception in 2004, Robert previously operated as a sole trader under the name Robert Watson Associates. He began his career in the rail sector with British Rail in 1982 having gained an MPhil in Management Studies from Oxford University. After management roles within British Rail and the Boots Company, Robert moved to Railtrack (now Network Rail) in 1994 where he subsequently became the Head of Operational Planning. As part of this role he was involved in the company's flotation on the London Stock Exchange in 1996, before going on to consult to the Strategic Rail Authority, playing a leading role in the development of UK capacity utilisation policies and route utilisation strategies. Robert is a visiting lecturer in transport at Loughborough University, and has written a number of railway related publications covering timetable and scheduling.

John Nelson (61)

Non-Executive Director

John is currently Chairman of First Class Partnerships, a strategic consultancy business which services the UK rail industry and is the 'Operator of Last Resort' for the Department of Transport. Prior to this, John was the Chief Executive of Network South East and also headed up the Eastern Region of British Rail. John is a Non-Executive Director of Hull Trains and of rail operator Wrexham & Shropshire. In addition, John was, for 9 years until 2007, a Non-Executive Director of Laing Rail Limited (who operate the Chiltern Railways franchise) and was also a Non-Executive Director of South Eastern Trains.

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 July 2008.

Principal activity

The principal activity of the Company is the provision of resource optimisation software and services which assists with automating and optimising the process of labour scheduling for passenger rail and bus services in the transport industry. The Company has contracts in place with major operators within the rail and bus industries.

Business review and future developments

A business review of the Company's operations and future developments is covered in the Chairman's and Chief Executive Officer's Report.

Business risks

History of intellectual property and associated risk factors

The Company's software is based on software which was developed at the University of Leeds along with other research projects. Whilst the University has assigned all its rights in respect of the Company's software to Tracsis, there could be claims over the certain copyright aspects of the software or other disputes with third parties regarding the intellectual property inherent within the Company's software. In common with other software products, the Company's software could be superseded by software developed by third parties and the possibility of disputes over intellectual property with third parties cannot be discounted. A significant part of the Company's future also depends upon its intellectual property. If intellectual property is inadequately protected or challenged, the Company's future success could be adversely affected.

Attraction and retention of key employees

The Company depends on the Directors and other key employees, and whilst it has entered into contractual arrangements with these individuals with the aim of securing the services of each of them, retention of these service cannot be guaranteed. The loss of the services of any of the Directors or other key employees could damage the business, however the company hope to mitigate this risk by implementing keyman insurance in respect of the relevant Directors and employees. Equally, the ability to attract new employees and in particular senior executives for the business with the appropriate expertise and skills cannot be guaranteed. The Company may experience difficulties in hiring appropriate employees and the failure to do so may have a detrimental effect upon the trading performance of the Company.

Trading history

The Company's future success will depend on the Directors' ability to implement their objective and strategy. Whilst the Directors are confident about the Company's prospects, there is no certainty that anticipated revenues or growth can be achieved. The Company has a limited trading history. Consequently the sales and implementation cycle is variable.

Product development

Whilst further product development work is being undertaken, the Company cannot guarantee that further products will be developed, successfully launched or accepted by the market.

Market acceptances and customer contracts

The Company currently has contracts in place with a number of Train Operating Companies and it cannot be guaranteed these contracts will continue or that new contracts will be won by the Company. In addition, the Company enters into contracts with large corporations such as Train Operating Companies. As with many large corporations, they are unlikely to vary their standard terms and conditions. The Company, may, in such circumstances, enter into contracts on less favourable terms than it would normally be able to negotiate.

Pilot deployment

Whilst the Directors anticipate that pilot programmes will be converted into full licences upon completion of the programme there can be no guarantee that all or any of these pilot programmes will successfully convert.

Reliance on single product

Revenues derived from the lease licensing of and support and maintenance associated with the Tracsis software product has historically comprised a significant proportion of total revenue. Consequently there is a risk associated with the reliance on a single product.

Competition

Although the Directors believe there to be very little direct competition within the market, there may be products and competitors that they are currently unaware of which could have a detrimental effect on the Company's trading performance.

Industry ownership

The industry in which the Company operates is currently separated into private and national ownership. The private elements of this industry could be renationalised which may have an adverse effect on the company.

Directors' Report continued

Key performance indicators (KPIs)

The Company's main KPI's are:

- Monthly review of sales pipeline, contracts under negotiation and renewals of existing contracts and licences;
- Monthly review of actual results against budget and the prior year;
- Monitoring of cash balances and working capital requirements.

Financial results

Details of the Company's financial results are set out in the income statement, other primary statements and in the Notes to the Accounts.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors who served on the Board and on Board Committees during the year are set out on page 4.

Under the Articles of Association of the Company, three directors are subject to retirement by rotation at the forthcoming Annual General Meeting, notice of which accompanies this Report and Accounts. Accordingly John McArthur, Dr Raymond Kwan and Charles Winward, being eligible, offer themselves for re-election. In relation to the re-elections of each of the directors, the Board is satisfied that each of these directors continues to be effective and to demonstrate commitment to the Company. Information in respect of directors' remuneration is given in the Directors' Remuneration Report.

Directors' interests in shares and options

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

	Ordinary shares of 0.4p each at 31 July 2008	Ordinary shares of 1p each at 31 July 2007
Rodney Jones	-	-
John McArthur	934,427	113
Dr Raymond Kwan ¹	2,875,850	790
Robert Watson	-	-
Darren Bamforth ²	124,300	-
John Nelson	-	-
Charles Winward ³	56,500	-

1 – This represents the aggregate of 2,649,850 ordinary shares registered in the name of Dr Raymond Kwan and 226,000 ordinary shares registered in the name of his wife Dr Ann Kwan.

2 – This represents ordinary shares registered in the name of Atraxa Investments Limited, a company in which Darren Bamforth is interested.

3 – This represents ordinary shares registered in the name of IP2IPO Nominees Limited for which Charles Winward has a beneficial interest. Mr Winward is also a limited partner in IP Venture Fund.

Further details of share options held by the directors are set out in the Directors' Remuneration Report. Between 1 August 2008 and the date of this report, the following directors' share transactions took place:

	Issue of ordinary shares	Holding at date of this report
Robert Watson	1,084,113	1,084,113

The above transaction took place on 5 August 2008 as a result of the acquisition of RWA Rail Limited.

Payment of suppliers

It is the Company's policy to pay suppliers in accordance with the terms and conditions agreed in advance, providing all trading terms and conditions have been met. All payments are made in the ordinary course of business and the Company expects to pay all supplier debts as they become due.

Trade creditor days at 31 July 2008 were 30 days (2007: 30 days).

Directors' Report continued

Substantial shareholdings

At 24 November 2008, being the latest practicable date prior to the publication of this document, the Company has been advised of the following shareholdings of 3% or more in the issued share capital of Tracsis plc:

	Number of shares	Percentage of issued shares
Techtran Group Limited ¹	3,655,550	19.28%
The University of Leeds	3,390,000	17.88%
Dr Raymond Kwan	2,875,850	15.17%
Partnership Investment Equity Fund Limited	1,875,000	9.89%
Unicorn Asset Management Limited	1,873,832	9.88%
IP Venture Fund ¹	1,645,500	8.68%
Robert Watson	1,084,113	5.72%
John McArthur	934,427	4.93%
IP2IPO Nominees Limited ¹	926,600	4.89%

1 – Techtran Group Limited and IP2IPO Nominees Limited are wholly owned subsidiaries of IP Group plc. IP Group plc is a limited partner in IP Venture Fund, which is managed by an IP Group plc company.

Research and development

During the year the company incurred £26,000 (2007: £48,000) of expenditure on research activity, which has been charged to the income statement.

Financial instruments

Details of the Company's exposure to financial risks are set out in Note 21 to the financial statements.

Employment policy

It is the policy of the Company to operate a fair employment policy. No employee or job applicant is less favourably treated than another on the grounds of their sex, sexual orientation, age, marital status, religion, race, nationality, ethnic or national origin, colour or disability and all appointments and promotions are determined solely on merit. The Directors encourage employees to be aware of all issues affecting the Company and places considerable emphasis on employees sharing in its success through its employee share option scheme.

Environment

The Company adheres to all environmental regulations and has, where possible, utilised environmental-sustaining policies such as recycling and waste reduction.

Post balance sheet events

Details of events occurring after the balance sheet date are set out in note 24 to the financial statements.

Provision of information to auditors

All of the current Directors have taken all steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Auditors

A resolution to re-appoint HW Chartered Accountants, as auditors will be put to members at the Annual General Meeting.

By order of the Board

Darren Bamforth

Company Secretary
4 December 2008

Directors' Remuneration Report

Remuneration committee

The Remuneration Committee is described in the Report on Corporate Governance. The remuneration for each Executive Director is determined by the Remuneration Committee, which comprises Rodney Jones and the Non-Executive Directors. None of the committee members has any personal financial interest, other than as shareholders, in the matters to be decided.

Service contracts

It is the Company's policy to enter into service contracts or letters of appointment with all Directors. Specific terms are:

	Date of contract	Commencement date	Unexpired term	Notice period
Executive Directors				
John McArthur	21.11.07	1.1.04	Indefinite	6 months
Dr Raymond Kwan	21.11.07	1.1.04	Indefinite	3 months
Robert Watson	18.07.08	18.07.08	Indefinite	6 months
Darren Bamforth	21.11.07	21.11.07	Indefinite	3 months
Non-Executive Directors				
Rodney Jones	21.11.07	21.11.07	Indefinite	3 months
John Nelson	21.11.07	21.11.07	Indefinite	3 months
Charles Winward	21.11.07	21.11.07	Indefinite	3 months

None of the service contracts or letters of appointment provide for any termination payments.

Remuneration policy

The remuneration packages for Directors and senior management have been structured so as to fairly compensate them for their contribution to the Company and to encourage them to remain within the Company. The basic components of these packages include:

Basic salary and bonus arrangements

Each Director receives an annual salary or Directors' fee for his/her services. These salaries are reviewed annually by the Remuneration Committee and take into account the financial performance of the company and market conditions. The Company operates a discretionary bonus scheme. The Remuneration Committee is entitled to decide whether any bonuses are payable, and if so, what amount bonuses should be granted to Executive Directors.

Directors' remuneration

Directors' remuneration for the year ended 31 July 2008 is set out below

	Basic salary £000	Bonus £000	Benefits in kind and pensions £000	Total 2008 £000	Total 2007 £000
Executive Directors					
John McArthur	87	25	-	112	78
Dr Raymond Kwan	25	10	1	36	15
Robert Watson	-	-	-	-	-
Darren Bamforth	8	5	-	13	-
	120	40	1	161	93
Non-Executive Directors					
Rodney Jones	10	-	-	10	-
John Nelson	8	-	-	8	-
Charles Winward	8	-	-	8	-
	26	-	-	26	-

Directors' Remuneration Report continued

Directors' interests in shares options in the Executive Share Option Schemes

	At 1 August 2007	Granted	Exercised	Lapsed	At 31 July 2008	Exercise price pence	Date from which exercisable	Expiry date
Executive Directors								
John McArthur	52	-	(52)	-	-	-	-	-
Dr Raymond Kwan	-	-	-	-	-	-	-	-
Robert Watson	-	-	-	-	-	-	-	-
Darren Bamforth	-	-	-	-	-	-	-	-
Non-Executive Directors								
Rodney Jones	-	262,551	-	-	262,551	40p	21 Nov 2008	21 Nov 2017
John Nelson	-	175,034	-	-	175,034	40p	21 Nov 2008	21 Nov 2017
Charles Winward	-	87,517	-	-	87,517	40p	21 Nov 2008	21 Nov 2017

The aggregate amount of gains made by directors on the exercise of share options was £21,918. One director exercised options during the period. The options granted during the year were granted upon the Company's flotation on AIM as part of the Non-Executive Directors' remuneration packages and exercise is not subject to any performance criteria.

External appointments

The committee recognises that its directors may be invited to become executive or non-executive directors of other companies or to become involved in charitable or public service organisations. As the Committee believes that this can broaden the knowledge and experience of the directors to the benefit of the Company, it is the Company's policy to approve such appointments provided that there is no conflict of interest and the commitment is not excessive. The director concerned can retain the fees relating to any such appointment.

Pensions and benefits in kind

All staff, Executive Directors and senior management are entitled to participate in the stakeholder pension plan established by the Company. Benefits are provided to certain Executive Directors, including private health cover. The Company does not provide any company cars to any of its Directors or employees.

This report was approved by the Board of Directors and authorised for issue on 4 December 2008 and was signed on its behalf by

Rodney Jones

Chair of the Remuneration Committee
4 December 2008

Corporate Governance

Tracsis plc was listed on AIM on 27 November 2007. The Company recognises the importance of, and is committed to, high standards of corporate governance. Tracsis plc, as an AIM Company, is not required to comply with the July 2006 Combined Code on Corporate Governance (the Combined Code), although it has adopted the Combined Code principles as set out below.

The Board

There are currently seven Board members, comprising four Executive Directors and three Non-Executive Directors. The role of the Non-Executive Directors is to bring independent judgement to Board deliberations and decisions. The Chairman of the Board is Rodney Jones who oversees Board meetings and fields all concerns regarding the executive management of the Company and the performance of the Executive Directors. A biography of each Director appears on page 4. The Directors each have diverse backgrounds and a wide range of experience is available to the Company. The Board meets on a monthly basis to review the Company's performance and to review and determine strategies for future growth. The Board has delegated specific responsibilities to its committees as set out below.

Each of the Directors is subject to either an executive services agreement or a letter of appointment as set out on page 8. Tracsis plc's Articles of Association require directors to retire from office and submit themselves for re-election on a one third rotation at each Annual General Meeting. John McArthur, Dr Raymond Kwan and Charles Winward will be retiring at the Annual General Meeting and submitting themselves for re-election.

Board meetings and attendance

Board meetings were held on 8 occasions during the year since the company's admission to AIM in November 2008. The table below shows attendance at the meetings whether in person or by telephone. The Company Secretary records attendance at all board meetings including where attendance is by telephone conference.

	Board Meetings (total 8)	Remuneration Committee Meetings (total 1)	Audit Committee Meetings (total 1)
Rodney Jones (appointed 21 November 2007)	8	1	1
John McArthur	8	-	-
Dr Raymond Kwan	8	-	-
Robert Watson (appointed 18 July 2008)	-	-	-
Darren Bamforth (appointed 21 November 2007)	8	-	-
John Nelson (appointed 21 November 2007)	7	1	1
Charles Winward (appointed 21 November 2007)	8	1	1

Board committees

Nomination Committee

The Nomination Committee comprises Rodney Jones as Chairman and the Non-Executive Directors. The committee's primary responsibilities are to make recommendations to the Directors on all new appointments of Directors and senior management, interviewing nominees, to take up references and to consider related matters.

Remuneration Committee

The Remuneration Committee comprises Rodney Jones as Chairman and the Non-Executive Directors. The committee's primary responsibilities are to review the performance of the Executive Directors and to determine the terms and conditions of service of senior management and any Executive Director appointed to the Board (including the remuneration of and grant of options to any such person under any share scheme adopted by the Company).

Audit Committee

The Audit Committee similarly comprises Rodney Jones as Chairman and the Non-Executive Directors. The audit committee's primary responsibilities are to monitor the financial affairs of the Company, to ensure that the financial performance of the Company is properly measured and reported on, and to review reports from the Company's auditors relating to the accounting and internal controls.

Corporate Governance continued

Non audit services

In accordance with its policy on non audit services provided by the company's auditors, the Audit Committee reviews and approves the award of any such work. The Audit Committee refers to the Board for approval of any work comprising non audit services where the fees for such work represent more than 25% of the annual audit fee.

Auditor independence and conflicts of interest

The Audit Committee continues to evaluate the independence and objectivity of the external auditors and takes into consideration all United Kingdom professional and regulatory requirements. Consideration is given to all relationships between the Company and the audit firm (including in respect of the provision of non audit services). The Audit Committee considers whether, taken as a whole, and having regard to the views, as appropriate, of the external auditors and management, those relationships appear to impair the auditors' judgement or independence. The Audit Committee feels they do not.

Internal audit

The Audit Committee agrees that there should be no internal audit function of the Company at this time considering the size of the Company and the close involvement of senior management over the Company's accounting systems. However, the Committee will keep this matter under review in the event that circumstances warrant an internal function for the Company in the future.

Control procedures

The Board approves the annual budget each year. This process allows the Board to identify key performance targets and risks expected during the upcoming year. The Board also considers the agreed budget when reviewing trading updates and considering expenditures throughout the year. Progress against budget is monitored via monthly reporting of actual financial performance against budget and prior year actual results.

The Company has clear authority limits deriving from the list of matters reserved for decision by the Board including capital expenditure approval procedures.

Relations with shareholders

The Board recognises and understands that it has a fiduciary responsibility to the shareholders. The Chairman's Statement and Chief Executive's Statement include detailed analysis of the Company's performance and future expectations. The Company's website (www.tracsis.com) allows shareholders access to Company information, including contact details and the current share price.

The Annual General Meeting will be a platform for the Board to communicate with shareholders and the Board welcomes the attendance and participation of all shareholders.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue for the foreseeable future in operational existence and have therefore adopted the going concern basis in preparing the accounts.

Statement of Directors' Responsibilities

Directors' responsibilities

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets of the company, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' Report which complies with the requirements of the Companies Act 1985.

The directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 1985. The directors are also required to prepare financial statements for the company in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. A fair presentation also requires the Directors to:

- consistently select and apply appropriate accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent Auditors' Report to the Members of Tracsis plc

We have audited the Financial Statements (the "Financial Statements") of Tracsis plc for the year ended 31 July 2008 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes. These Financial Statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the Financial Statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the statement of directors' responsibilities.

Our responsibility is to audit the Financial Statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and whether the Financial Statements and the part of the Directors' Remuneration Report that is described as having been audited have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with those Financial Statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited Financial Statements. This other information comprises only the joint statement of the Chairman and the Chief Executive, the Directors' Report, the Corporate Governance Report and the Directors' Remuneration Report. We consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- the Financial Statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 31 July 2008 and of its profit for the year then ended;
- the Financial Statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the Financial Statements.

HW

Chartered Accountants and Registered Auditors
Bridge House, 157 Ashley Road
Hale, Altrincham, Cheshire
WA14 2UT

4 December 2008

Income statement

for the year ended 31 July 2008

	Note	2008 £000	2007 £000
Revenue	5	805	742
Administrative expenses		(505)	(335)
Operating profit	6	300	407
Finance income	9	93	15
Profit before tax		393	422
Taxation	10	(94)	(92)
Profit for the year		299	330
Earnings per share			
Basic (pence per share)	12	2.47	15,870.61
Diluted (pence per share)	12	2.37	15,136.33

All of the above activities are continuing.

The notes on pages 18 to 31 form part of the financial statements.

Balance sheet

at 31 July 2008

	Note	2008 £000	2008 £000	2007 £000	2007 £000
Assets					
Non-current assets					
Plant and equipment	13	6		8	
Deferred tax	16	18		-	
Total non-current assets			24		8
Current assets					
Trade and other receivables	14	1,081		164	
Cash and cash equivalents		1,898		715	
Total current assets			2,979		879
Total assets			3,003		887
Liabilities					
Non-current liabilities					
Deferred tax	16	-		2	
Total non-current liabilities			-		2
Current liabilities					
Trade and other payables	15	302		149	
Current tax liabilities		109		90	
Total current liabilities			411		239
Total liabilities			411		241
TOTAL NET ASSETS			2,592		646
Capital and reserves attributable to equity holders of the company					
Share capital	17		70		-
Share premium reserve	18		1,641		17
Share based payments reserve	18		61		5
Retained earnings	18		820		624
TOTAL EQUITY			2,592		646

The financial statements were approved and authorised for issue by the Board of Directors on 4 December 2008 and were signed on its behalf by:

John McArthur
Director

Darren Bamforth
Director

The notes on pages 18 to 31 form part of these financial statements.

Statement of changes in equity

for the year ended 31 July 2008

	Share Capital £000	Share Premium Reserve £000	Share-based Payments Reserve £000	Retained Earnings £000	Total £000
Balance at 31 July 2006	-	-	-	353	353
Changes in equity for 2007					
Profit for the year	-	-	-	330	330
Total recognised income and expense for the year	-	-	-	330	330
Share option charge	-	-	6	-	6
Adjustment for options subsequently exercised	-	-	(1)	1	-
Issue of share capital	-	17	-	-	17
Dividends paid	-	-	-	(60)	(60)
Balance at 31 July 2007	-	17	5	624	646
Changes in equity for 2008					
Profit for the year	-	-	-	299	299
Total recognised income and expense for the year	-	-	-	299	299
Share option charge	-	-	61	-	61
Adjustment for options subsequently exercised	-	-	(5)	7	2
Issue of share capital	70	1,624	-	(50)	1,644
Dividends paid	-	-	-	(60)	(60)
Balance at 31 July 2008	70	1,641	61	820	2,592

The notes on pages 18 to 31 form part of the financial statements.

Cash flow statement

for the year ended 31 July 2008

	2008 £000	2007 £000
Cash flows from operating activities		
Profit before tax	393	422
Finance income	(93)	(15)
Depreciation	5	3
Share based payments	61	6
Operating cash flows before movements in working capital	366	416
(Increase)/decrease in trade and other receivables	(917)	143
Increase/(decrease) in trade and other payables	153	(11)
Cash (used in)/generated by operations	(398)	548
Tax paid	(93)	(46)
Net cash (used in)/generated from operating activities	(491)	502
Cash flows from investing activities		
Purchases of property, plant and equipment	(3)	(4)
Finance income received	93	15
Net cash generated from investing activities	90	11
Cash flows from financing activities		
Issue of share capital (net of expenses)	1,644	3
Dividends paid to equity shareholders	(60)	(60)
Net cash generated from financing activities	1,584	(57)
Net increase in cash and cash equivalents	1,183	456
Cash and cash equivalents at start of year	715	259
Cash and cash equivalents at end of year	1,898	715

The notes on pages 18 to 31 form part of the financial statements.

Notes to the accounts

for the year ended 31 July 2008

1 Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRS) issued by the International Accounting Standards Board (IASB) as adopted by European Union ("adopted IFRSs"), and are in accordance with IFRS as issued by the IASB.

Basis of preparation

This is the first time the company has prepared its financial statements in accordance with IFRSs, having previously prepared its financial statements in accordance with UK GAAP accounting standards. Details of how the transition from UK accounting standards to EU adopted IFRS has affected the company's reported financial position, financial performance and cash flows are given in note 2.

First time adoption

In preparing these financial statements, the Company has elected to apply the following transitional arrangements permitted by IFRS 1 'First-time Adoption of International Financial Reporting Standards':

- IFRS 2 'Share-based payments' has been applied to employee options granted after 7 November 2002 that had not vested by 1 January 2006.

The Company has made estimates under IFRSs at the date of transition, which are consistent with those estimates made for the same date under UK GAAP unless there is objective evidence that those estimates were in error, i.e. the Company has not reflected any new information in its opening IFRS balance sheet, but reflected that new information in its income statement for subsequent periods.

Standards, interpretations and amendments to published standards effective in the current year

(a) *New standards, amendments and interpretations to published standards effective in the current year and adopted by the company*

The following standards, amendments and interpretations to published standards are effective from 1 August 2007 and have been adopted by the Company:

- IFRS 7, Financial Instruments; disclosures and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures (effective for accounting periods beginning on or after 1 January 2007). IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and disclosure requirements in IAS 32.
- IFRIC 10, Interim Financial Reporting and Impairment (effective for accounting periods beginning on or after 1 November 2006). IFRIC 10 prohibits impairment losses recognised in an interim period on goodwill and investments in equity instruments and on financial assets carried at cost to be reversed at a subsequent balance sheet date.
- IFRIC 8, Scope of IFRS 2 (effective for accounting periods beginning on or after 1 May 2006). IFRIC 8 requires consideration of transactions involving issuance of equity instruments to establish whether or not they fall within the scope of IFRS 2. It applies to situations where the identifiable consideration received is or appears to be less than the fair value of the equity instruments issued.

(b) *Standards, amendments and interpretations to published standards effective from 1 August 2007 but which are not relevant to the Company*

- IFRIC 7, Applying the restatement approach under IAS 29, Financial Reporting in Hyperinflationary Economies (effective for accounting periods beginning on or after 1 March 2006).
- IFRIC 9, Reassessment of embedded derivatives (effective for accounting periods beginning on or after 1 June 2006).

Notes to the accounts *continued*

Standards, interpretations and amendments to published standards effective in the current year *(continued)*

(c) *Certain new standards, amendments and interpretations to published standards applicable to the Company have been published that are mandatory for the Company's accounting period beginning on or after 1 January 2008 or later periods but which the Company has not adopted early. These are as follows:*

(i) IFRS 8 Operating Segments (effective for accounting periods beginning on or after 1 January 2009). The standard introduces new disclosures to improve the information about operating segments. It requires the disclosure of information about an entity's operating segments and also about the entity's products and services, the geographical areas in which it operates, and its major customers. It replaces IAS 14, Segment Reporting.

(ii) IFRS 3, Business Combinations, and complimentary amendments to IAS 27 'Consolidated and Separate Financial Statements' (both effective for accounting periods beginning on or after 1 July 2009). This revised standard and amendments is still to be endorsed by the European Union. The revised IFRS 3 and amendments to IAS 27 arise from a joint project with the Financial Accounting Standards Board ("FASB"), the US standard setter, and result in the IFRS being largely converged with the related, recently issued US requirements. The standard provides for significant changes to the requirements of IFRS, and options available if accounting for business combinations.

(iii) IAS 1 Presentation of Financial Statements (effective for accounting periods beginning on or after 1 January 2009). This amendment has yet to be endorsed by the European Union and is intended to replace IAS 1 Presentation of Financial Statements (revised in 2003) as amended in 2005. IAS 1 amends some of the terminology used in regard to the primary statements. Furthermore, it introduces a requirement to include a complete set of financial statements and a statement of the financial position as at the beginning of the earliest comparative period whenever the entity retrospectively applies an accounting policy or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements. The standard also alters the requirements with regard to the presentation of changes in equity and income and expenses.

The directors anticipate that the adoption of these interpretations in future periods will have no material financial impact on the financial information of the Company.

(d) *Certain new standard, amendments and interpretations to existing standards applicable to the Company have been published that are mandatory for the Company's accounting periods beginning on or after 1 January 2008 or later periods but which are not relevant to the Company, as follows:*

(i) IAS 23 Borrowing Costs (revised) (effective for accounting periods beginning on or after 1 January 2009).

(ii) IFRIC 12 Service Concession Arrangements (effective for accounting periods beginning on or after 1 January 2008).

(iii) IFRIC 13 Customer Loyalty Programmes (effective for accounting periods beginning on or after 1 July 2008).

(iv) IFRIC 14, IAS 19, The Limit on a Defined Benefit Asset, Minimum funding Requirement and their Interaction (effective for accounting periods beginning on or after 1 January 2008).

(v) Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation (effective for accounting periods beginning on or after 1 January 2009).

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable (excluding value added tax and discounts given) derived from the provision of goods and services to customers during the period. The Company derives revenue from software licences, post contract customer support and consultancy services.

The Company recognises the revenue from the sale of software licences and specified upgrades upon shipment of the software product or upgrade, when there are no significant vendor obligations remaining, when the fee is fixed and determinable and when collectability is considered probable. Where appropriate the Company provides a reserve for estimated returns under the standard acceptance terms at the time the revenue is recognised. Payment terms are agreed separately with each customer.

Revenue from post contract customer support and consultancy services is recognised on a straight-line basis over the term of the contract. Revenue received and not recognised in the income statement under this policy is classified as deferred income in the balance sheet.

Revenue from other products and services is recognised as the products are shipped or services provided.

Notes to the accounts continued

Segment reporting

A business segment is a distinguishable component of an enterprise that is engaged in providing an individual product or service or a group of related products or services and that is subject to risks and returns that are different from those of other business segments. A geographic segment is a distinguishable component of an enterprise that is engaged in providing products or services within a particular economic environment and that is subject to risks and rewards that are different from those components operating in other economic environments.

Goodwill

Goodwill arising on acquisitions comprises the excess of the fair value of the consideration plus any associated costs for investments in subsidiary undertakings over the fair value of the net identifiable assets acquired. Adjustments are made to fair values to bring the accounting policies of the acquired businesses into alignment with those of the Company. The costs of integrating and reorganising acquired businesses are charged to the post acquisition income statement.

Internally Generated Intangible Assets (Research and Development Costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- it is technically feasible to develop the product for it to be sold;
- adequate resources are available to complete the development;
- there is an intention to complete and sell the product;
- the company is able to sell the product;
- sale of the product will generate future economic benefits; and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the company expects to benefit from selling the products developed. The amortisation expense is included within the administrative expenses line in the income statement.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the income statement as incurred.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs. The corresponding liability is recognised within provisions.

Items of property, plant and equipment are carried at depreciated cost.

Depreciation is provided on all items of property, plant and equipment so as to write off the carrying value of items over their expected useful economic lives. It is applied at the following rates:

Plant and equipment – 33% on cost

Financial instruments

The Company classifies its financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognised on the balance sheet at fair value when the Company becomes a party to the contractual provisions of the instrument.

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary shares are classified as equity instruments, net of issue costs.

(i) *Cash and cash equivalents*

Cash and cash equivalents in the balance sheet are included at cost and comprise cash at bank, cash in hand and short term deposits with an original maturity of three months or less.

(ii) *Trade receivables*

Trade receivables do not carry interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

(iii) *Trade payables*

Trade payables are not interest bearing and are stated at their nominal value.

Notes to the accounts *continued*

Financial instruments (continued)

(iv) *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying value in the financial statements.

The principal temporary differences arise from depreciation on plant and equipment and share options granted by the Company to employees and directors.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders, or in the case of interim dividends, when paid.

Hire purchase and lease commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Employee benefits

Wages, salaries, social security contributions, paid annual leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Company. Where the Company provides long term employee benefits, the cost is accrued to match the rendering of the services by the employees concerned.

Share-based payments

The Company issue equity-settled share-based payments to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, together with a corresponding increase in equity, based upon the Company's estimate of the shares that will eventually vest.

Fair value is measured using the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where the terms and conditions of options are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately. However, if a new transaction is substituted for the cancelled transaction, and designated as a replacement transaction on the date that it was granted, the cancelled and new transactions are treated as if they were a modification of the original transaction as described in the previous paragraph.

Retirement benefits

Contributions to defined contribution pension schemes are charged to the income statement in the year to which they relate.

Notes to the accounts *continued*

Impairment of non-current assets

Where an indication of impairment is identified, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount (higher of fair value less cost to sell and value in use of an asset) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

2 Explanation of transition to IFRS

The financial statements for the year ended 31 July 2008 are the first financial statements that comply with International Financial Reporting Standards (IFRS). The financial statements prior to and including 31 July 2007 had been prepared in accordance with Generally Accepted Accounting Principles in the United Kingdom (UK GAAP).

As required by IFRS 1, the impact of the transition from UK GAAP to IFRS is explained below. The accounting policies set out above have been applied consistently to all periods presented in this financial information and in preparing an opening IFRS balance sheet at 1 August 2006 for the purposes of transition to IFRS.

Presentation adjustments:

IAS 1 – Presentation of Financial Statements. The form and presentation in the UK GAAP financial statements has been changed to be in compliance with IAS 1. There is no impact on the balance sheet at date of transition or at 31 July 2008 nor on the profit for the year ended 31 July 2007.

Adjustments to reported loss and net assets:

There are no adjustments arising from the transition to IFRS and therefore there is no impact on the reported Income Statement or Balance Sheet. Consequently, no reconciliation between IFRS and UK GAAP has been provided.

Significant changes to the cash flow statement for 2007

The Company was exempt from the requirement to prepare a cash flow statement under UK GAAP on the basis that it was a small company. There is no such exemption under IFRS and hence a cash flow statement has been prepared for the year ended 31 July 2007.

IAS 7 – Cash Flow Statements. The IFRS Cash Flow Statement, prepared under IAS 7, presents cash flows in three categories: cash flows from operating activities, cash flows from investing activities and cash flows from financing activities. Other than the reclassification of cash flow into the new disclosure categories, there are no significant differences between the company's Cash Flow Statement under UK GAAP and IFRS. Consequently, no cash flow reconciliations are provided. Purchases of tangible fixed assets under UK GAAP have been reclassified to purchases of property, plant and equipment under IFRS. IAS 7 extends the definition of cash to 'cash and cash equivalents' which includes movements on short term deposits.

3 Critical Accounting Estimates and Judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Share-based payments

The Company has equity settled share-based remuneration schemes for employees. The fair value of share options is estimated by using the Black-Scholes valuation model, on the date of grant based on certain assumptions. These assumptions include, among others, expected volatility, expected life of the options and number of options expected to vest.

4 Segment information

Primary format – business segment

In the opinion of the directors, the business operates as one business segment being the sale of resource optimisation software that assists with automating and optimising the process of labour scheduling within the transport industry.

Secondary format – geographic segment

The Company operates in the United Kingdom and thus has only one geographic segment.

Notes to the accounts continued

5 Revenue

Revenue arises from:	2008 £000	2007 £000
Software licences	491	304
Post contract customer support	119	124
Consultancy services, training and other revenue	195	314
	805	742

6 Operating profit

Operating profit is stated after charging/(crediting)	2008 £000	2007 £000
Depreciation of plant and equipment	5	3
Operating lease costs	22	21
Research and development expenditure	26	48
Audit services:		
- Fees payable to the company auditor for the audit of the financial statements	9	10
Non-audit services – Fees payable to the company auditor for other services:		
- Other services	-	-

7 Employees

Staff costs (including directors) comprise:	2008 £000	2007 £000
Wages and salaries	302	200
Employers national insurance contributions and similar taxes	32	23
Share based payment remuneration	61	6
	395	229

Average staff numbers (including directors) were:	2008 £000	2007 £000
Management and administration	5	2
Research and operations	3	3
	8	5

Notes to the accounts continued

8 Directors' emoluments

Directors	2008 £000	2007 £000
Aggregate emoluments	186	93
Company contributions to money purchase pension schemes	-	-
	186	93

9 Finance income

	2008 £000	2007 £000
<i>Finance income</i>		
Interest received on bank deposits	93	15
Total finance income	93	15

10 Taxation

Analysis of charge for the period:	2008 £000	2007 £000
<i>Current tax</i>		
UK Corporation tax at 29.33% (2007: 30%)	112	90
Deferred tax	(18)	2
Total income tax charge	94	92

The reasons for the difference between the actual tax credit for the year and the standard rate of corporation tax in the UK applied to losses are as follows:

	2008 £000	2007 £000
Profit before tax	393	422
Expected tax charge based on the standard rate of corporation tax in the UK of 29.33% (2007: 30%)	115	127
Expenses not deductible for tax purposes	1	1
Research and development enhancement	-	(7)
Prior year adjustment	1	-
Marginal relief	(23)	(29)
Tax charge for the period	94	92

Notes to the accounts continued

11 Dividends

Amounts recognised as distributions to equity holders in the period:	2008 £000	2007 £000
Dividend for the year ended 31 July 2006 (paid in the year ended 31 July 2007) and 31 July 2007 (paid in the year ended 31 July 2008) at 60,000 and 26,549 pence per share (note a)	30	30
Dividend for the year ended 31 July 2006 (paid in the year ended 31 July 2007) and 31 July 2007 (paid in the year ended 31 July 2008) at 4,000 and 4,000 pence per share (note b)	30	30
Total	60	60

Note (a): Under an arrangement dated 23 September 2006;

- (i) All other shareholders, except J McArthur, who held ordinary shares representing 97.5% of the Company's called up share capital, agreed to waive their rights to the dividend.
- (ii) All other shareholders, except R Kwan, who held ordinary shares representing 62.5% of the Company's called up share capital, agreed to waive their rights to the dividend.

Note (b): Under an arrangement dated 14 August 2007;

- (i) All other shareholders, except J McArthur, who held ordinary shares representing 94.63% of the Company's called up share capital, agreed to waive their rights to the dividend.
- (ii) All other shareholders, except R Kwan, who held ordinary shares representing 64.34% of the Company's called up share capital, agreed to waive their rights to the dividend.

12 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume the conversion of all dilutive potential ordinary shares.

The Company has one class of dilutive potentially ordinary shares: those share options granted to employees where the exercise price is less than the average market price of the company's ordinary shares during the year.

	Profit for the period £'000	Weighted average number of shares	Earnings per share (pence)
Basic earnings per share			
Year ended 31 July 2008	299	12,081,414	2.47
Year ended 31 July 2007	330	2,082	15,870.61
Diluted earnings per share			
Year ended 31 July 2008	299	12,606,516	2.37
Year ended 31 July 2007	330	2,183	15,136.33

The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	2008	2007
Weighted average number of ordinary shares used in the calculation of basic earnings per share	12,081,414	2,082
	4	
Shares deemed to be issued in respect of employee share options	525,102	101
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	12,606,516	2,183

Notes to the accounts continued

13 Plant and equipment

	Plant and Equipment £000
Cost	
At 1 August 2006	8
Additions	4
At 31 July 2007	12
At 1 August 2007	12
Additions	3
At 31 July 2008	15
Depreciation and impairment	
At 1 August 2006	1
Charge for the year	3
At 31 July 2007	4
At 1 August 2007	4
Charge for the year	5
At 31 July 2008	9
Net book value	
At 1 August 2006	7
At 31 July 2007	8
At 31 July 2008	6

14 Trade and other receivables

	2008 £000	2007 £000
Trade receivables	403	146
Other receivables	671	18
Prepayments	7	-
	1,081	164

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

There is no concentration of credit risk with respect to trade receivables as the Company has a number of customers. The directors do not consider that any of the amounts from the sale of goods to be irrecoverable, hence no provision has been made for bad or doubtful debts.

Included within other receivables in 2008 is an amount of £580,000 which comprises the initial purchase consideration for RWA Rail Limited which was transferred into an escrow account with the vendor immediately prior to the year end pending completion of the acquisition post year end.

Notes to the accounts continued

15 Trade and other payables

	2008 £000	2007 £000
Trade payables	89	4
Other tax and social security	56	29
Accruals and deferred income	157	116
	302	149

The Directors consider that the carrying amounts of trade payables approximates to their fair value.

Deferred income relates to sales invoiced in advance of the completion of post contract customer support. This will be recognised in the income statement over the remaining period of the contract.

16 Deferred tax

Non-current liability/(asset)	Accelerated capital allowances £000	Share options £000	Total £000
At 31 July 2006	-	-	-
Charge to income statement	1	1	2
At 31 July 2007	1	1	2
Credit to income statement	(1)	(17)	(18)
On exercise of share options	-	(2)	(2)
At 31 July 2008	-	(18)	(18)

17 Share capital

	2008 Number	2008 £	2007 Number	2007 £
Authorised:				
Ordinary shares of 0.4p each	35,000,000	140,000	-	-
Ordinary share of 1p each	-	-	10,000	100
Issued and fully paid:				
Ordinary shares of 0.4p each	17,503,450	70,014	-	-
Ordinary share of 1p each	-	-	2,103	21

The following share transactions have taken place during the year ended 31 July 2008:

22 ordinary shares of 1p each were issued on 21 September 2007 for cash consideration of £10,461.

88 ordinary shares of 1p each were issued on 21 November 2007 for cash consideration of £14,220.

19,917 ordinary shares of 1p each were issued on 21 November 2007 at nominal value.

22,130 ordinary shares of 1p each were consolidated into 2,213 ordinary shares of 10p each on 21 November 2007.

497,925 ordinary shares of 10p each were issued on 21 November 2007 at nominal value.

500,138 ordinary shares of 10p each were sub-divided into 12,503,450 ordinary shares of 0.4p each on 21 November 2007.

5,000,000 ordinary shares of 0.4p each were issued on 26 November 2007 for cash consideration of £2,000,000.

These share transactions were effected to restructure the share capital of the Company prior to the admission of the Company on AIM, and to issue the Placing Shares.

Notes to the accounts continued

18 Movements in equity

Company	Share Capital £000	Share based		Retained Earnings £000	Total £000
		Share Premium £000	Payments Reserve £000		
Balance at 1 August 2006	-	-	-	353	353
Profit for the year	-	-	-	330	330
Issue of shares	-	17	-	-	17
Share based payment expense	-	-	6	-	6
Share options exercised	-	-	(1)	1	-
Dividends	-	-	-	(60)	(60)
Balance at 31 July 2007	-	17	5	624	646
Profit for the year	-	-	-	299	299
Issue of shares	70	1,624	-	(50)	1,644
Share based payments expense	-	-	61	-	61
Share options exercised	-	-	(5)	7	2
Dividends	-	-	-	(60)	(60)
Balance at 31 July 2008	70	1,641	61	820	2,592

The following describes the nature and purpose of each reserve:

Reserve	Description and purpose
Share capital	Amount subscribed for share capital at nominal value
Share premium	Amount subscribed for share capital in excess of nominal value
Share based payments reserve	Amounts arising from the requirement to expense the fair value of share options in accordance with IFRS2 Share-based Payments.
Retained earnings	Cumulative net losses recognised in the income statement

19 Capital commitments

The Company had no capital commitments at 31 July 2008 (2007: £nil)

20 Operating lease commitments

The minimum lease payments to which the Company is committed under non-cancellable operating leases for the coming year are as follows:

	2008 £'000	2007 £'000
Land and buildings:		
On leases expiring:		
Between two and five years	28	21

Notes to the accounts continued

21 Financial instruments

The principal financial instruments comprise cash and short term deposits. The main purpose of these financial instruments is to provide finance for the Company's operations. The Company has various other financial instruments, such as trade receivables and payables that arise directly from its operations.

The company has taken advantage of the exemption to exclude short term debtors and creditors from the disclosures given below. The fair values of the financial instruments are equal to their year end carrying values.

Company	2008			2007		
	Fixed	Floating	Total	Fixed	Floating	Total
	Rate	Rate		Rate	Rate	
Financial assets	£000	£000	£000	£000	£000	£000
Cash and short term deposits	1,300	598	1,898	-	715	715

The Company had no financial liabilities or derivative contracts in either the current or previous year. It is policy that no trading in financial instruments should be undertaken. The surplus cash balances have been invested in deposit accounts.

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- trade receivables;
- cash at bank
- trade and other payables.

The main risks arising from the financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Fair value or cash flow interest rate risk

Currently the Company has surplus cash balances so does not have a borrowing requirement. Surplus cash is put on short term deposit where appropriate at either fixed or floating rates. The Board monitors the financial markets and the Company's future cash requirements to ensure that this policy is exercised in the Company's best interests. At 31 July 2008 the Company had fixed-rate deposits in place as follows:

- £1.3 million placed on a fixed 3 month term deposit at an interest rate of 6%

Credit risk

The Company monitors credit risk closely and considers that its current policies of credit checks meet its objectives of managing exposure to risk.

The Company has no significant concentration of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event that other parties fail to perform their obligations under financial instruments.

Liquidity risk

Liquidity risk is managed on a day to day basis. Facilities are agreed at appropriate levels having regard to the Company's forecast operating cash flows and future capital expenditures.

Capital disclosures

The Company's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and;
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Notes to the accounts continued

22 Equity-settled share-based payments

The Company has a share option scheme for all employees (including directors). Options are exercisable at a price agreed at the date of grant. The vesting period is usually between one and five years. The exercise of options is dependent upon eligible employees meeting performance criteria. The options may not be exercised before the occurrence of a takeover, sale or admission. The options are settled in equity once exercised.

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Company before the options vest.

A reconciliation of option movements over the year to 31 July 2008 follows:

	2008 Number	2008 Weighted Average Exercise Price	2007 Number	2007 Weighted Average Exercise Price
Outstanding at 1 August	88	£162	115	£54
Granted	525,102	40p	36	£317
Lapsed	-	-	-	-
Exercised	(88)	£162	(63)	£54
Outstanding at 31 July	525,102	40p	88	£162
Exercisable at 31 July	-	-	-	-

The weighted average share price at the date of exercise for share options exercised during the year to 31 July 2008 was £162.

The share options outstanding at the end of the year have a weighted average remaining contractual life of 10 years (2007: 10 years) and have an exercise price of 40p per share. During the year ended 31 July 2008 options were granted on 26 November 2007. The estimated fair value of the options granted was £89,268, and the total charge in the income statement for the year ended 31 July 2008 is £60,731 (2007: £6,434).

The fair values were calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

	2008	2007
Share price at date of grant	40p	£54 and £317
Exercise price	40p	£54 and £317
Vesting period (years)	1	1
Expected volatility	40%	60%
Option life (years)	10	10
Expected life (years)	10	10
Risk-free rate	4.75%	4.75%
Expected dividends expressed as a dividend yield	-	-

The expected volatility is based upon comparable volatility for businesses operating in similar industries.

Notes to the accounts continued

23 Related party transactions

The following transactions took place during the year with other related parties:

	Purchase of		Amounts owed by		Amounts owed to	
	goods and services		related parties		related parties	
	2008	2007	2008	2007	2008	2007
	£000	£000	£000	£000	£000	£000
The University of Leeds ¹	10	20	-	-	3	2
Leeds Innovation Centre Limited ²	27	27	-	-	2	1
Techtran Group Limited ³	6	1	-	-	-	-
Atraxa Consulting Limited ⁴	38	7	-	-	8	1

1 – The University of Leeds is a significant shareholder in the Company and supplies staff on secondment to the Company.

2 – Leeds Innovation Centre Limited is a company which is connected to The University of Leeds. Tracsis plc rents its office accommodation, along with related office services, from this company.

3 – Techtran Group Limited is a significant shareholder in the Company and supplies staff on secondment, and office services to the Company.

4 – Atraxa Consulting Limited provides accountancy services to the Company. One of the Company's directors, Darren Bamforth, is a director and shareholder of Atraxa Consulting Limited. Fees charged in the year ended 31 July 2008 include one-off fees of £19,350 relating to work undertaken in respect of the Company's AIM Admission.

Terms and conditions of transactions with related parties

The purchases from related parties are made at normal market prices. Outstanding balances that relate to trading balances are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Compensation of key management personnel of the Company

The Company considers the directors to be its key management personnel. Full details of their compensation are set out in the Directors' Remuneration Report.

24 Events after the balance sheet date

On 5 August 2008, the Company acquired the entire issued share capital of RWA Rail Limited. The acquisition price comprised initial consideration of the issue of 1,084,113 new ordinary shares at 53.5p per share and cash consideration of £580,000. Deferred consideration of up to £145,000 in cash and up to 271,029 new ordinary shares is payable subject to satisfaction of certain performance criteria following the acquisition. The fair value of the shares to be issued was based upon the market price of shares in Tracsis plc.

The following table shows the amounts to be recognised at the acquisition date for assets and liabilities acquired.

	£'000
Debtors	597
Cash at bank	362
Creditors due within one year	(291)
Provisions for liabilities and charges	(2)
Fair value of net assets acquired	666

The carrying value of the assets and liabilities immediately before acquisition equates to the fair values above.

In addition on 5 August 2008 the Company issued 373,832 new ordinary shares of 0.4p each pursuant to a placing of shares to raise additional working capital for the Company. The shares were issued at a price of 53.5p per share for total cash consideration of £200,000.

Notice of Annual General Meeting

The Annual General Meeting of Tracsis plc will be held at the registered office, Leeds Innovation Centre, 103 Clarendon Road, Leeds, LS2 9DF on 28 January 2009 at 2.00pm. The business of the meeting will be as follows:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following Resolutions which will be proposed as Ordinary Resolutions:

Resolution 1

THAT the Directors' Report and Accounts for the year ended 31 July 2008, together with the Auditors' Report thereon, be received and adopted.

Resolution 2

THAT Raymond Kwan, who retires by rotation and, who being eligible, offers himself for re-election, be reappointed as a director.

Resolution 3

THAT Charles Winward, who, having been appointed since the last Annual General Meeting, retires in accordance with the Company's Articles of Association and, who being eligible, offers himself for re-election, be reappointed as a director.

Resolution 4

THAT Jay Darren Bamforth, who, having been appointed since the last Annual General Meeting, retires in accordance with the Company's Articles of Association and, who being eligible, offers himself for re-election, be reappointed as a director.

Resolution 5

THAT John Nelson, who, having been appointed since the last Annual General Meeting, retires in accordance with the Company's Articles of Association and, who being eligible, offers himself for re-election, be reappointed as a director.

Resolution 6

THAT Rodney Jones, who, having been appointed since the last Annual General Meeting, retires in accordance with the Company's Articles of Association and, who being eligible, offers himself for re-election, be reappointed as a director.

Resolution 7

THAT Robert Watson, who, having been appointed since the last Annual General Meeting, retires in accordance with the Company's Articles of Association and, who being eligible, offers himself for re-election, be reappointed as a director.

Resolution 8

THAT HW Chartered Accountants be reappointed as auditors of the Company, from the conclusion of this meeting until the conclusion of the next General Meeting, at which accounts are laid before the shareholders and their remuneration be fixed by the Board.

Resolution 9

THAT the Directors of the Company be, and are hereby generally and unconditionally authorised, in accordance with Section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (within the meaning of the said Section 80) up to an aggregate nominal amount of £27,382.27, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution (or, if earlier, 15 months after the date of this meeting) and provided further that the Company may before such expiry make any offers or agreements which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution has expired. This authority is in substitution for all existing authorities under the said Section 80 but without prejudice to the allotment of any relevant securities already made or to be made pursuant to such authorities.

SPECIAL BUSINESS

To consider and, if thought fit (and subject in the case of Resolution 10 to the passing of Resolution 9), pass the following Resolutions which will be proposed as Special Resolutions:

Resolution 10

THAT the Directors of the Company be, and are hereby empowered pursuant to Section 95(1) of the Companies Act 1985 (the "Act"), to allot equity securities (within the meaning of Section 94(2) of the Act) for cash as if Section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities in connection with a rights issue in favour of the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares (notwithstanding that, by reason of such exclusions or other arrangements as the Directors may deem necessary or desirable to deal with fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory, the equity securities to be issued are not offered to all such holders in proportion to the number of ordinary shares held by each of them); and

- (b) the allotment (otherwise than pursuant to paragraph (a) above) of equity securities up to an aggregate nominal amount of £7,584.56.

and shall, unless renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution (or, if earlier, 15 months from the date of this meeting), save that the Company may before such expiry make any offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this Resolution has expired.

Resolution 11

THAT the Company be and is hereby generally and unconditionally authorised for the purposes of section 166(1) of the Companies Act 1985 (the "Act") to make market purchases (within the meaning of section 163(3) of the Act) of ordinary shares of 0.4 pence each in the capital of the Company ("**Ordinary Shares**"), and Ordinary Shares so purchased shall be treated as provided in either section 160(4) or section 162A(1) of the Act (as appropriate) provided that:

- (a) the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 1,896,140;
- (b) the minimum price (excluding expenses) which may be paid for each Ordinary Share is 0.4p;
- (c) the maximum price which may be paid for each Ordinary Share is not more than 5 per cent above the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is purchased; and
- (d) the authority hereby conferred shall unless renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution (or, if earlier, 15 months after the date of this meeting) (except in relation to the purchase of Ordinary Shares the contract for which was concluded before such date and which would or might be executed wholly or partly after such date unless such authority is renewed prior to such time, notwithstanding that the authority conferred by this Resolution has expired).

By order of the Board

Darren Bamforth
Company Secretary

Notice of Annual General Meeting - continued

NOTES

- 1 The Company, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, specifies that to be entitled to attend and vote at the Annual General Meeting (and for the purpose of determining the number of votes a member may cast), members must be entered on the Register of Members of the Company by 5.00pm on 26 January 2009 or, in the event that the meeting is adjourned, in the register of members 48 hours before the time of any adjourned meeting, Changes to entries in the register of members after 5 p.m. on 26 January 2009 or, in the event that the meeting is adjourned, in the register of members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- 2 A member of the Company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend, speak and, on a poll, to vote on his or her behalf. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.
- 3 A proxy need not also be a member but must attend the meeting to represent you. Completion and return of a Form of Proxy will not preclude a member from attending and voting at the meeting or at any adjournment thereof should the member so decide. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.
- 4 To be valid, the Form of Proxy must be completed and returned so as to reach the Company's registered office, Leeds Innovation Centre, 103 Clarendon Road, Leeds, LS2 9DF by 2.00pm on 26 January 2009.
- 5 Details of how to appoint the Chairman of the meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. The Notes to the Form of Proxy explain how to direct your proxy to vote on each Resolution or withhold his vote. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.
- 6 A corporation must have the Form of Proxy executed under its common seal (or such form or execution as has the same effect) or on its behalf by an attorney or a duly authorised officer of the corporation.
- 7 If the Form of Proxy is executed under a power of attorney or other authority, the original power of attorney or notarially certified copy thereof must be lodged at the offices of Tracsis plc, Leeds Innovation Centre, 103 Clarendon Road, Leeds, LS2 9DF together with the Form of Proxy.
- 8 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the name of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first-named being the most senior).
- 9 The following documents will be available for inspection during normal business hours at the Company's registered office, up until the date of the Annual General Meeting and at the place of the meeting from 2.00pm on 28 January 2009 until the end of the meeting:
 - (i) The audited consolidated accounts of the Company for the year ended 31 July 2008; and
 - (ii) A copy of the Memorandum and Articles of Association of the Company.

Company information

Board of Directors

Rodney Jones, Chairman
John McArthur, Chief Executive
Robert Watson, Chief Operating Officer
Dr Raymond Kwan, Chief Technical Officer
Darren Bamforth, Finance Director
John Nelson, Non-Executive
Charles Winward, Non-Executive

Company Secretary

Darren Bamforth

Registered office

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