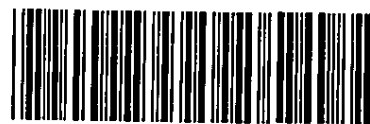


Cobra UK Limited
(formerly NavTrak Limited)

Annual report and financial statements for the period
ended 31 December 2007

Registered number: 03751493

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Directors' report

For the period ended 31 December 2007

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the nine month period ended 31 December 2007. Comparatives cover the financial year to 31 March 2007.

Change in ownership

In March 2007, the entire share capital of the company was acquired by Cobra Automotive Technologies SpA. The accounting reference date was also changed from 31 March to 31 December to coincide with the accounting reference date of the new parent. The company has therefore prepared accounts for the nine month period ended 31 December 2007.

Principal activity and business review

The principal activity of the company during the period was the provision of telematic products and services. Details of the company's performance and financial position are given in the financial statements on pages 5 to 16.

The company continues to invest in research and development projects relating to its principal activity, such costs are written off to the profit and loss account as incurred.

The resulting revenues and profit performance is in line with the directors expectations for the business after the acquisition by its parent company in March 2007. The directors anticipate further growth in revenues and resulting profits due to the company's now substantial position in the UK based services market.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of interest rate, credit and foreign exchange risk.

Interest rate risk

The company has repaid its bank overdraft and is now financed with group borrowings at a variable rate of interest.

Credit risk

The company has implemented policies that require appropriate checks on potential customers before sales are made.

Foreign exchange risk

A proportion of the company's purchases are denominated in Euros, a stable currency. Management monitor any fluctuations in the currency and take actions as necessary.

Dividends

No dividend can be paid (March 2007 - £nil).

Future prospects

The directors consider that the company is well-placed to perform satisfactorily in the future.

Directors and their interests

The directors who served the company during the period are as shown below:

C. Carella (resigned 27 August 2007)

A. Monteforte

A D N Smith (Appointed 10 July 2007)

R J Drake (Appointed 15 August 2007, resigned 04 September 2009)

M Kisvarday (Appointed 27 August 2007)

P E DeBazin (Appointed 27 August 2007)

Directors' report (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements. The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors and disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Charitable donations

During the period the company made charitable donations to various organisations of £600 (March 2007 - £262).

Going concern

The Directors continue to adopt the going concern basis in the preparation of the financial statements. The going concern status of the Company is subject to certain assumptions which are set out in note 1 to the financial statements. Specifically, the going concern status of the Company is dependent on the going concern status of the ultimate parent company, Cobra AT SpA and as such the critical areas and assumptions used in the going concern assessment for Cobra AT SpA have been given in detail in note 1.

In addition, a letter confirming the continued support of the Company has been received from Cobra AT SpA. This letter confirms specifically that loan balances totalling £2,096,000 will not be called for repayment for a period of at least 12 months from the date of these accounts.

After having made appropriate enquires and having reviewed the critical areas and assumptions set out in note 1, the directors believe that it is appropriate for the financial statements to continue to be prepared on a going concern basis.

Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as the Company's auditor will be proposed at the next Annual General Meeting.

By order of the Board,



A D N Smith
Director
10 December 2009

Independent auditors' report

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COBRA UK LIMITED (FORMERLY NAVTRAK LTD)

We have audited the financial statements of Cobra UK Limited (formerly NavTrak Limited) for the period ended 31 December 2007 which comprise the Profit and loss account, the Balance sheet, the Accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we 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 the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

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. 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 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.

Independent auditors' report (continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the period then ended;
- the financial statements 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.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure given in note 1 to the financial statements concerning the Company's ability to continue as a going concern. The Company has net liabilities of £3,570,509 and is dependent on the continued support of its parent. The losses incurred by the group and the related increase in borrowings indicates the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Manchester
10 December 2009

Profit and loss account

For the period ended 31 December 2007

	Notes	Dec 2007 (9 Months) £	Mar 2007 (12 Months) £
Turnover	1b	3,886,075	4,545,134
Cost of sales		(2,394,056)	(3,530,305)
Gross profit		1,492,019	1,014,829
Distribution costs		(105,432)	(116,605)
Administrative expenses		(1,317,800)	(1,011,149)
Exceptional item	2a	-	12,734,308
Operating profit		68,787	12,621,383
Net interest (payable) / receivable	4	(83,929)	11,628
(Loss) / profit on ordinary activities before taxation	2	(15,142)	12,633,011
Tax on (loss) / profit on ordinary activities	5	1,000,000	-
Profit for the financial period		984,858	12,633,011

All activity has arisen from continuing operations.

The accompanying accounting policies and notes are an integral part of this profit and loss account.

The company has no recognised gains or losses in either period other than the profit for that period and accordingly a statement of total recognised gains and losses has not been prepared.

Balance sheet
31 December 2007

	Notes	Dec 2007 £	March 2007 £
Fixed assets			
Tangible assets	6	<u>188,960</u>	<u>70,528</u>
		188,960	70,528
Current assets			
Stocks	7	208,277	185,887
Debtors falling due within one year	8	1,393,112	508,026
Debtors falling due after more than one year	8	1,000,000	-
Cash at bank and in hand		<u>541,970</u>	<u>4,153</u>
		3,143,359	698,066
Creditors: Amounts falling due within one year	9	<u>(6,493,450)</u>	<u>(4,761,959)</u>
Net current liabilities		<u>(3,350,091)</u>	<u>(4,063,893)</u>
Total assets less current liabilities		(3,161,131)	(3,993,365)
Creditors: Amounts falling due after more than one year	10	(318,113)	(462,002)
Provisions for liabilities and charges	11	<u>(91,265)</u>	<u>(100,000)</u>
Net liabilities		<u>(3,570,509)</u>	<u>(4,555,367)</u>
Capital and reserves			
Called-up share capital	12	1,379,063	1,379,063
Profit and loss account	13	<u>(4,949,572)</u>	<u>(5,934,430)</u>
Equity shareholder's deficit	14	<u>(3,570,509)</u>	<u>(4,555,367)</u>

Signed on behalf of the Board,



A D N Smith
Director

10 December 2009

The accompanying accounting policies and notes are an integral part of this balance sheet.

Accounting policies

31 December 2007

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial period and the preceding financial year.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

b) Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) of goods and services in the normal course of business. All turnover is derived in the United Kingdom from the company's principal activity. Revenue is recognised at the point that the risks and rewards of ownership transfer to the customer and economic benefits are likely to flow to the company. For box sales this is typically the point of delivery, subscription incomes are typically recognised evenly over the term of the contract.

c) Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Fixtures and fittings	33% per annum
Motor vehicles	33% per annum
Computer and office equipment	33% per annum

Residual value is calculated on prices prevailing at the date of acquisition.

d) Research and development costs

Research and development costs are written off to the profit and loss account in the year in which they are incurred.

e) Stocks

Stocks represent finished goods and are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

f) Operating lease agreements

Rentals under operating leases are charged to the profit and loss account in equal annual amounts over the lease term, even if the payments are not made on such a basis.

Accounting policies (continued)

g) Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

h) Foreign exchange

Transactions denominated in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. Translation differences are dealt with through the profit and loss account.

i) Pension costs

The company sponsors a defined contribution personal pension scheme for qualifying employees and directors. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

j) Warranty Provision

Provisions in respect of liabilities are made in accordance with FRS 12. Specifically, where the Company guarantees or warrants a product from Defect at the time of sale, a warranty provision is set up to cover the likely costs of potential claims, calculated by reference to historic experience and the duration of the warranty period.

k) Deferred income

Income is deferred where payments are made by customers in advance and the risk and rewards of ownership are yet to be transferred to the customer. The income is released on a systematic basis over the life of the contract.

Notes to the financial statements

1 Assessment of going concern

The financial statements have been prepared on the going concern basis which assumes the Company will continue in operational existence for the foreseeable future. The company has net liabilities totalling £3,570,509 and is dependent on the continued support of its ultimate parent company, Cobra AT SpA ("the Group"). A letter confirming the continued support of the Company has been received from Cobra AT SpA and confirms specifically that the loan balance of £2,096,200 will not be called for repayment for a period of at least 12 months from the date of these accounts.

In the half year to 30 June 2009, Cobra AT SpA reported to Shareholders via additional disclosure that the going concern status of the Group was dependent on certain assumptions. The critical areas highlighted to shareholders in Cobra AT SpA's financial statements were as follows:

Extracts from Cobra AT SpA's interim financial statements to 30 June 2009:

Note 5 - BUSINESS OUTLOOK AND ASSESMENT OF THE GOING CONCERN ASSUMPTION

As described in Interim Management Report, in accordance with the results of the first half of 2009 the Group's Management has identified two main critical areas:

- at the economic level in the first and second quarters of 2009 the Group recorded a loss in terms of gross operating margin (or EBITDA) respectively of Euro 1.95 million and Euro 1.33 million while the operating loss amounted to Euro 4.5 million and Euro 4.4 million;
- as a result of the trend in the financial activities, the Group's net financial position rose from Euro 38.2 million at December 31st, 2008, to Euro 48.1 million at March 31st, 2009 and to Euro 52.3 million at June 30th, 2009. In the first quarter, as mentioned above, the Group has had the disbursements for the completion of the acquisition realized in Asia in the last months of 2008.

The Group's Management has developed a financial business plan for the next twelve months, analyzed the criticality and evaluated the actions taken and planned, for Cobra Directors, based on all the circumstances above mentioned, there is a material uncertainty that may cast significant doubts about the Company and Group's ability to continue as going concern.

For Cobra Directors, based on all the circumstances above mentioned, there is a material uncertainty that may cast significant doubts about the Company and Group's ability to continue as going concern. Nonetheless, after having performed all the required verifications, and having evaluated all the critical area above mentioned, the management has a reasonable expectation that the Company and the Group has adequate resources to continue as going concern. For these reasons the Company and the Group continue to adopt going concern assumption in the financial statements preparation. For further information in this regard, see paragraph 9 of Interim Management Report of this Half Year Financial Report 2009.

End of extracts.

The directors of the Company have considered the disclosures noted above and believe that there is a reasonable expectation that adequate financial support will be available from the parent and that the Company can continue as a going concern. For these reasons the Company has adopted the going concern assumption in the financial statements preparation. However the losses incurred by the group and the related increase in borrowings indicate the existence of a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

Notes to the financial statements (continued)

1 Assessment of going concern (continued)

If the Company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amount, to provide for further liabilities that might arise and to reclassify fixed assets.

2 (Loss) / profit on ordinary activities before taxation

(Loss) / profit on ordinary activities before taxation is stated after charging:

	Dec 2007 £	Mar 2007 £
Depreciation of owned tangible fixed assets	62,055	57,422
Profit on disposal of fixed assets	-	(5,079)
Auditors' remuneration		
- for audit services	21,200	9,250
- for tax compliance services	10,000	-
- advisory services	5,000	-
Rentals under operating leases:		
- land and buildings	25,543	8,597

2a Exceptional items

	Dec 2007 £	Mar 2007 £
Exceptional income	-	12,734,308

The exceptional item in prior year represents a loan waiver agreed by ITIS Holdings plc on the sale of the Company to Cobra Automotive Technologies spa.

3 Directors and employees

The emoluments of the directors for their services to the company during the 9 month period were

	Dec 2007 £	Mar 2007 £
Aggregate emoluments:		
All directors	83,466	-

The average monthly number of employees during the nine month period was as follows:

	Dec 2007 Number	Mar 2007 Number
Operations	17	14
Sales and distribution	6	4
Administration	6	4
	29	22

Notes to the financial statements (continued)

3 Directors and employees (continued)

Their aggregate remuneration comprised:

	Dec 2007 £	Mar 2007 £
Wages and salaries	775,307	598,281
Social security costs	79,630	67,900
Pension costs	12,245	14,605
	<u>867,182</u>	<u>680,786</u>

4 Net Interest (Payable) / Receivable

	Dec 2007 £	Mar 2007 £
Other interest receivable	15,166	11,628
Interest payable to parent undertaking	(99,095)	-
Net Interest (Payable) / Receivable	<u>(83,929)</u>	<u>11,628</u>

5 Tax on (loss) / profit on ordinary activities

a) Analysis of tax credit in the period

	Dec 2007 £	Mar 2007 £
Current tax	-	-
Deferred tax:	-	-
Deferred tax asset recognised in the period	1,000,000	-
Deferred tax credit	<u>1,000,000</u>	<u>-</u>
Total tax credit for the period	<u>1,000,000</u>	<u>-</u>

Notes to the financial statements (continued)

5 Tax on (loss) / profit on ordinary activities (continued)

The differences between the total current tax and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	Dec 2007 £	Mar 2007 £
(Loss) / profit on ordinary activities before tax	(15,142)	12,633,011
Tax credit / (charge) on (loss) / profit on ordinary activities at standard UK corporation tax rate of 28% (Mar 2007 – 30%)	(4,543)	3,789,903
Effects of:		
Income not subject to tax	-	(3,820,292)
Expenses not deductible for tax purposes	1,592	1,425
Depreciation in excess of capital allowances	(36,440)	4,385
Other timing differences	39,391	24,579
Current tax for the period	-	-

Analysis of deferred tax (assets) / liabilities provided in the period:

	Dec 2007		Mar 2007	
	Cumulative provided £	Cumulative unprovided £	Cumulative provided £	Cumulative unprovided £
Analysis of deferred (assets) / liabilities				
Accelerated capital allowances	(303,218)	-	-	(366,736)
Short term timing differences	(25,554)	-	-	(30,000)
Losses	(671,228)	(3,583,143)	-	(4,510,824)
Total	(1,000,000)	(3,583,143)	-	(4,907,560)

On 6 April 2008 the corporation tax rate applicable to the company changed from 30% to 28%. The effect of this change has been reflected in the deferred tax calculations.

Notes to the financial statements (continued)

6 Tangible fixed assets

	Fixtures and fittings £	Motor vehicles £	Computer Equipment £	Total £
Cost				
At beginning of period	77,856	129,045	42,529	249,430
Additions	89,987	16,500	73,950	180,437
Disposals	-	-	-	-
At end of period	<u>167,843</u>	<u>145,545</u>	<u>116,479</u>	<u>429,867</u>
Depreciation				
At beginning of period	77,856	67,870	33,176	178,902
Charge for the period	4,920	45,345	11,740	62,005
Disposals	-	-	-	-
At end of period	<u>82,776</u>	<u>113,215</u>	<u>44,916</u>	<u>240,907</u>
Net book value				
At end of period	<u>85,067</u>	<u>32,330</u>	<u>71,563</u>	<u>188,960</u>
At beginning of period	<u>-</u>	<u>61,175</u>	<u>9,353</u>	<u>70,528</u>

7 Stocks

	Dec 2007 £	Mar 2007 £
Finished goods and goods held for resale	<u>208,277</u>	<u>185,887</u>

There is no material difference between the balance sheet value of stocks and their replacement value.

Notes to the financial statements (continued)

8 Debtors

	Dec 2007 £	Mar 2007 £
Amounts falling due within one year:		
Trade debtors	813,937	436,671
Other debtors	-	1,313
Amounts owed by group undertakings	60,924	-
Prepayments and accrued income	518,251	70,042
	<u>1,393,112</u>	<u>508,026</u>
Amounts falling due after more than one year:		
Deferred tax (note 5)	<u>1,000,000</u>	<u>-</u>

9 Creditors: Amounts falling due within one year

Trade creditors	599,016	286,857
Other creditors	-	-
Amounts owed to group undertakings	2,689,758	2,199,997
Taxation and social security	74,029	19,830
VAT	51,068	82,877
Accruals and deferred income	3,079,579	2,172,398
	<u>6,493,450</u>	<u>4,761,959</u>

Intercompany balances include a formal loan balance of £2,096,260. Interest is charged on the loan at a rate of LIBOR three month plus 0.1%.

10 Creditors: Amounts falling due after more than one year

Accruals and deferred income	<u>318,113</u>	<u>462,002</u>
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11 Provisions for liabilities and charges

	Warranty Provision £
1 April 2007	100,000
Utilised during the period	(8,735)
31 December 2007	<u>91,265</u>

Notes to the financial statements (continued)

12 Called-up share capital

	Dec 2007 £	Mar 2007 £
<i>Authorised</i>		
1,379,063 ordinary shares of £1 each	<u>1,379,063</u>	<u>1,379,063</u>
<i>Allotted, called-up and fully paid</i>		
1,379,063 ordinary shares of £1 each	<u>1,379,063</u>	<u>1,379,063</u>

13 Reserves

	Profit and loss account £
At beginning of period	(5,934,430)
Retained profit for the financial period	<u>984,858</u>
At end of period	<u>(4,949,572)</u>

14 Reconciliation of movements in equity shareholder's deficit

Retained profit for the financial period	984,858	12,633,011
New shares issued	-	1,379,061
Opening equity shareholder's deficit	<u>(4,555,367)</u>	<u>(18,567,439)</u>
Closing equity shareholder's deficit	<u>(3,570,509)</u>	<u>(4,555,367)</u>

15 Financial commitments

a) Capital commitments

At 31 December 2007 there were no capital commitments (March 2007 – £nil).

b) Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	Dec 2007		Mar 2007	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiry date:				
- within one year	-	-	-	-
- between two to five years	* 98,808	15,644	-	8,019
- after five years	-	-	-	-
* the ultimate parent company acts as guarantor	<u>98,808</u>	<u>15,644</u>	<u>-</u>	<u>8,019</u>

Notes to the financial statements (continued)

16 Pensions

The company sponsors a defined contribution personal pension scheme for qualifying employees and directors. The cost for the period was £12,245 (March 2007 - £14,605).

17 Ultimate parent company

The largest and smallest group in which the results of the company are consolidated is that headed by Cobra Automotive Technologies spa, the Company's ultimate parent company, the financial statements of which may be obtained from 41 Via Astico, 21100 Varese, Italy.

As a subsidiary undertaking of Cobra Automotive Technologies spa, the company has taken advantage of the exemption in FRS 8, 'Related Party Disclosures', from disclosing transactions with other members of the group headed by Cobra Automotive Technologies SpA .

Under the provisions of Financial Reporting Standard No. 1 (Revised 1996), the company has not prepared a cash flow statement because its parent undertaking, Cobra Automotive Technologies SpA, which is incorporated in Italy, has prepared consolidated financial statements that contain a consolidated cash flow statement and are publically available.