

Abbreviated accounts Quartix Limited

For the Year Ended 31 December 2010

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Company information

Registered office

Chapel Offices
Park Street
Newtown
Powys
SY16 1EE

Directors

A J Walters
K V Giles
A M Kirk
D S Bridge
W A Hibbert

Secretary

D S Bridge

Auditor

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Grant Thornton House
Kettering Parkway
Kettering
Northants
NN15 6XR

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Independent auditor's report to Quartix Limited under Section 449 of the Companies Act 2006 (registration number 4159907)

We have examined the abbreviated accounts which comprise the principal accounting policies, the balance sheet and the related notes, together with the financial statements of Quartix Limited for the year ended 31 December 2010 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to them in a special 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations under that section.

Andrew Dixon
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Kettering

3 MARCH 2011

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Revenue

Revenue is the amount receivable for goods and services, excluding VAT. Revenue comprises the provision of telematics-based fleet and vehicle management solutions, and is recognised in line with the provision and installation of hardware, and the maintenance of software over the period of the customer contract. Additional airtime revenue is recognised as incurred by the customer. Amounts received in advance of the provision of services are included within deferred income.

In the case of long-term contracts, revenue reflects the contract activity during the period and represents the proportion of total contract value, which costs incurred to date bear to total expected contract costs. Revenue and profit is recognised in accordance with UK GAAP and is measured at the fair value of the consideration received or receivable.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	25% straight line
Equipment	-	25% straight line
Rental equipment	-	25% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

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.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Warranties

The company sells vehicle tracking systems, some of which are sold with warranty periods extending beyond 12 months. The cost of providing warranty cover within the first 12 months is charged to the profit and loss account as it occurs. The future anticipated cost of providing warranty cover for that portion of the warranty period over 12 months is charged through a provision based on the known likelihood of product unit failures.

Leased assets - Lessor

The company acts as a lessor. Where substantially all the risks and rewards of ownership of the asset are transferred it is classified as a finance lease. In this case, the asset is derecognised and replaced by a receivable. The total gross earnings from a finance lease are allocated to accounting periods so as to produce a constant periodic rate of return on the lessors' net investment in the lease.

Foreign currencies

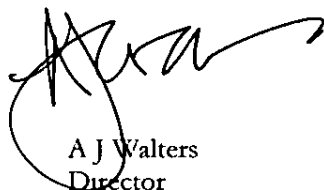
Monetary assets and liabilities in foreign currencies are translated into euros at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into euros at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Abbreviated balance sheet

	Note	£	2010 £	£	2009 £
Fixed assets					
Tangible assets	1		71,437		100,832
Current assets					
Stocks		167,858		40,119	
Debtors		2,857,359		1,636,087	
Cash at bank and in hand		317,223		116,605	
		<u>3,342,440</u>		<u>1,792,811</u>	
Creditors: amounts falling due within one year		<u>1,261,876</u>		<u>810,214</u>	
Net current assets			<u>2,080,564</u>		<u>982,597</u>
Total assets less current liabilities			<u>2,152,001</u>		<u>1,083,429</u>
Creditors: amounts falling due after more than one year			<u>30,000</u>		<u>43,568</u>
			<u>2,122,001</u>		<u>1,039,861</u>
Capital and reserves					
Called-up equity share capital	2		202,000		202,000
Share premium account			24,000		24,000
Profit and loss account			1,896,001		813,861
Shareholders' funds			<u>2,122,001</u>		<u>1,039,861</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

These abbreviated accounts were approved by the directors and authorised for issue on 3 March 2011 and are signed on their behalf by



A J Walters
Director

Registration Number 4159907

The accompanying accounting policies and notes form part of these abbreviated accounts.

Notes to the abbreviated accounts

1 Fixed assets

	Tangible Assets £
Cost	
At 1 January 2010	160,969
Additions	<u>6,162</u>
At 31 December 2010	<u>167,131</u>
Depreciation	
At 1 January 2010	60,137
Charge for year	<u>35,557</u>
At 31 December 2010	<u>95,694</u>
Net book value	
At 31 December 2010	<u>71,437</u>
At 31 December 2009	<u>100,832</u>

2 Share capital

Authorised share capital

	2010 £	2009 £
21,000,000 Ordinary shares of £0.01 each	<u>210,000</u>	<u>210,000</u>

Allotted, called up and fully paid

	2010 No	£	2009 No	£
20,200,000 Ordinary shares of £0.01 each	<u>20,200,000</u>	<u>202,000</u>	<u>20,200,000</u>	<u>202,000</u>

3 Ultimate parent company

The directors consider that the ultimate parent undertaking of this company is Quartix Holdings Limited