

21 December 2012



SureTrack Monitoring plc
(“SureTrack”, the “Company” or the “Group”)

Interim results for the six months ended 30 September 2012

SureTrack (AIM: STK), one of the UK’s leading cash security and crime deterrent company’s announces its interim results for the six months ended 30 September 2012.

Simon Barrell, Executive Chairman commented:

“Whilst this has been a disappointing period due to the Eastern European Post Office delay in proceeding with stage two, IBP has traded at smaller loss than in previous periods. We have undertaken a strategic review of the Group and are looking into all alternative avenues available to enhance stakeholder value.

“Within the period under review we have been given court approval for the capital reconstruction and reduction of share capital.”

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Chairman's Statement

These results are the first since the disposal of Sure-Track Europe Limited in March 2012 and the first interim figures since the change of accounting year end to 31 March. The comparative figures for September 2011 have never been publically reported.

The results show that the Group made a small loss for the period of £65,107 (2011: loss of £301,511). The majority of the loss is attributable to costs relating to the holding company with the remaining trading business, IBP Limited ("IBP"), generating a trading loss of £20,162 (2011: loss of £42,953)

Trading

IBP had a good start to the year with some additional work being won in relation to stage one of the Eastern European Post Office project. Unfortunately, as announced on 24 October 2012, the decision on whether to proceed with stage two has been delayed until 2013. This has obviously been a setback and a disappointment for the business.

The trial of IBP's smoke note product with a major high street chain has been successful in so far as there have been no robberies to date on the sites where the trial was undertaken. Despite the success of the trial the customer hasn't yet placed an order for further stores and discussions continue with a view to securing such orders. In the event that we are not successful in securing an order then we intend to withdraw the trial products from the customer's sites in Q1 2013.

The challenges in the financial services industry have led to a slowdown in orders from that sector although we have undertaken a number of one-off site installations.

In the period under review we have been developing new products and our customers are showing early interest in them. We continue to service our blue chip customer base with maintenance work and new installations. The outlook for the full year is not as positive as it was at the beginning of the year but we are working hard to grow the business and enhance shareholder value.

PLC

We are pleased that the capital reconstruction and the reduction in capital has passed through the courts successfully.

As the Group lacks critical mass the Board has decided to consider all viable strategic opportunities to maximise value for shareholders, including the potential disposal of the remaining operating business.

In the meantime, the Group is also seeking to minimise its cash burn from on-going operations.

Simon Barrell
Executive Chairman

Consolidated Income Statement

	Notes	Six months ended	Six months ended	Six months ended	Six months ended	Year ended	Year ended	Year ended
		30 September 2012	30 September 2011	30 September 2011	30 September 2011	31 March 2012	31 March 2012	31 March 2012
		(Unaudited) £	(Unaudited) £	(Unaudited) £	(Unaudited) £	(Audited) £	(Audited) £	(Audited) £
			Discontinued business	Continuing business		Discontinued business	Continuing business	Total
Revenue	2	127,454	241,284	122,822	364,106	478,578	466,399	944,977
Cost of sales		(64,013)	(137,301)	(78,602)	(215,902)	(305,435)	(279,134)	(584,569)
Gross profit		63,441	103,983	42,220	148,203	173,143	187,265	360,408
Administrative expenses		(128,548)	(290,361)	(159,269)	(449,630)	(605,429)	(332,130)	(937,559)
Exceptional items						-	(19,313)	(19,313)
Operating loss		(65,107)	(186,378)	(117,049)	(301,427)	(432,286)	(164,178)	(596,464)
Finance Income		-			-			99
Finance expense		-			(84)			-
Loss before tax		(65,107)			(301,511)			(596,365)
Tax expense	4	-			-			-
Loss for the period		(65,107)			(301,511)			(596,365)
Loss per share	3							
Basic		(0.00009p)			(0.0004p)			(0.08p)

Consolidated Statement of Comprehensive Income

	Six months ended	Six months ended	14 Months ended
	30 September 2012	30 September 2011	31 March 2012
	(Unaudited) £	(Unaudited) £	(Audited) £
Loss for the period	(65,107)	(301,511)	(596,365)
Other comprehensive income	-	-	-
Total comprehensive income for the period	(65,107)	(301,511)	(596,365)

Consolidated Statement of Financial Position

		30 September 2012	30 September 2011	31 March 2012
	Notes	(Unaudited) £	(Unaudited) £	(Audited) £
Non-current assets				
Goodwill	5	885,028	902,696	885,028
Other intangible assets	6	3,970	57,653	3,970
Property, plant and equipment		11,353	40,905	13,646
Long term loan note		188,062	-	188,062
		<hr/>	<hr/>	<hr/>
		1,088,413	1,001,254	1,090,706
Current assets				
Inventories		29,422	173,433	25,444
Trade and other receivables		23,703	233,216	54,961
Cash and cash equivalents		167,819	273,849	228,930
		<hr/>	<hr/>	<hr/>
		220,944	680,498	309,335
Total assets				
		<hr/>	<hr/>	<hr/>
		1,309,357	1,618,752	1,400,041
Equity and liabilities				
Equity				
Share capital		4,170,844	4,170,844	4,170,844
Share premium account		2,091,897	2,091,897	2,091,897
Other reserves		-	(2,148,000)	-
Retained earnings		(5,067,937)	(2,709,578)	(5,006,961)
		<hr/>	<hr/>	<hr/>
Total equity		1,194,804	1,405,163	1,255,780
Current liabilities				
Trade and other payables		114,553	276,589	144,261
		<hr/>	<hr/>	<hr/>
Total current liabilities		114,553	276,589	144,261
		<hr/>	<hr/>	<hr/>
Total equities and liabilities		1,309,357	1,681,752	1,400,041
		<hr/>	<hr/>	<hr/>

Consolidated Statement of Cash Flows

	Six months ended 30 September 2012 (Unaudited) £	Six months ended 30 September 2011 (Unaudited) £	14 Months ended 30 March 2012 (Audited) £
Operating activities			
Loss before tax	(65,107)	(301,511)	(595,365)
<i>Adjustments for:</i>			
Depreciation and amortisation	2,292	22,378	45,573
Loss on sale of fixed assets	-	385	385
Profit on disposal of subsidiary	-	-	(19,337)
Share based payment costs	4,131	6,000	11,321
Finance costs/income	-	84	(99)
(Increase) in inventories	(3,978)	32,262	(18,448)
(Increase)/Decrease in receivables	31,258	(54,642)	25,240
(Decrease)/Increase in payables	(29,707)	(48,188)	86,348
Cash utilised by operations	(61,111)	(343,232)	(465,382)
Net finance income			
Net cash utilised from operating activities	(61,111)	(344,232)	(465,382)
Investing activities			
Purchase of intangible assets	-	(17,150)	(17,150)
Purchase of fixed assets	-	(5,515)	(9,860)
Acquisition of business	-	(30,000)	(30,000)
Proceeds from the sale of fixed assets	-	10,136	10,136
Cash disposed of with subsidiary	-	-	(29,250)
Interest paid/received	-	(84)	99
Net cash used in investing activities	-	(42,613)	(76,025)
Net cash outflow before financing	(61,111)	(273,561)	(541,407)
Financing activities			
Issue of shares (net of costs)	-	249,375	249,375
Net cash inflow from financing	-	249,375	249,375
Decrease in cash and cash equivalents in period	(61,111)	(136,470)	(292,032)
Net cash and cash equivalents at start of the period	228,930	54,185	520,962
Net cash and cash equivalents at end of the period	167,819	273,849	228,930

Consolidated Statement of Changes in Equity

	Share capital £	Share premium account £	Other reserve £	Retained earnings £	Total £
At 1 April 2011	4,133,344	1,879,858	(2,148,000)	(2,414,067)	1,451,135
Total comprehensive income for the period	-	-	-	(301,511)	(301,511)
Share based payment charge	-	-	-	6,000	6,000
Issue of share capital	37,500	212,039	-	-	249,539
At 30 September 2011	4,170,844	2,091,897	(2,148,000)	(2,709,578)	1,405,163
At 1 April 2012	4,170,844	2,091,897	-	(5,006,961)	1,255,780
Total comprehensive income for the period	-	-	-	(65,107)	(65,107)
Share based payment charge	-	-	-	4,131	4,131
At 31 July 2011	4,170,844	2,091,897	-	(5,067,937)	1,194,804

Notes to the interim report

1 Basis of preparation of the interim report

The financial information set out in this interim report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The Group's statutory financial statements for the 14 months ended March 2012 have been delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Section 498(2) or Section 498(3) of the Companies Act 2006.

This interim financial report has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. The interim financial information has been prepared on a basis which is consistent with the accounting policies adopted by the Group for the last financial statements and comparative figures are given for the six months to 30 September 2011 and the 14 months ended 31 March 2012. These are the first interim reports prepared after the change in the year end and as such the September 2011 comparative figures have never been publicly reported.

2 Segmental information

The group has two key operating segments which are overseen by distinct management teams and reported to the board. These are the provision of tracking devices, monitoring and recovery services thereon and the supply, assembly and installation of security equipment. The former is conducted through its subsidiary company, Sure-Track Europe Limited and the latter through the recently acquired subsidiary, IBP Limited.

	6 months ended 30 September 2012 £	6 months ended 30 September 2011 £	14 months to 31 March 2012 £
Subsidiary Revenue Split			
		Sure- Track Europe	
Revenue from UK	-	241,284	478,578
Revenue from Europe	-	-	-
	-	241,284	312,175
		IBP	
Revenue from UK	61,350	96,427	267,755
Revenue from Europe	66,104	26,395	189,644
	127,454	122,822	466,399
Group Revenue			
Revenue from UK	61,350	337,711	755,333

Revenue from Europe	66,104	26,395	189,644
	127,454	364,106	944,977

Subsidiaries

Sure -Track Europe

Interest Expense	-	-	-
Amortisation	-	20,255	39,862
Loss before tax	-	186,378	411,153
Total External Liabilities	-	155,992	-
Total Assets	-	444,864	-

IBP

Interest Expense	-	6,308	-
Amortisation	2,292	599	5,711
Loss before tax	20,162	42,953	5,173
Total External Liabilities	43,363	51,023	38,495
Total Assets	152,074	143,656	244,214

Central Adjustments

Interest Expense	-	-	(99)
Amortisation	-	-	-
Loss before tax	44,945	72,180	180,039
Total External Liabilities	71,191	69,574	(105,766)
Total Assets	1,157,283	1,093,232	1,175,826

Group

Interest Expense	-	84	(99)
Amortisation	-	20,854	30,966
Loss before tax	65,107	301,511	542,452
Total External Liabilities	114,554	276,589	273,571
Total assets	1,309,357	1,618,752	1,400,041

3 Earnings per share

Earnings per share has been calculated on a loss of £65,107 (2010: £293,738) and the average number of shares in issue for the period of 736,347,670 (2010: 686,072,994 shares).

	Six months ended 30 September 2012 (Unaudited) Basic £	Six months ended 30 September 2011 (Unaudited) Basic £	14 Months ended 31 March 2012 (Audited) Basic £
Earnings attributable to ordinary shareholders from continuing operations	(65,107)	(107,360)	(164,079)
Earning per share	(0.00009p)	(0.0001p)	(0.02p)
Earnings attributable to ordinary shareholders from discontinued operations	-	(186,378)	(432,286)
Earning per share	-	(0.003p)	(0.06p)

Total Loss for the period	(65,107)	(293,738)	(596,365)
Loss per share	(0.00009p)	(0.0004p)	(0.08p)

4 Tax

No tax has been accounted for any of the periods shown as the group has been loss making during these periods.

5 Post balance sheet events

On 17 October 2012 the Company received court approval for the capital reorganisation, the cancellation of the share premium and the deferred share to enable the share buyback of 117,538,809 shares.

On 26 November 2012 the Company completed the buyback of the shares. The shares were bought back for £188,062, the value of the long term loan. The number of shares in issue is now 618,808,861.

6 Copies of the interim report

Copies of the interim report will be sent to shareholders shortly and will be available from the registered office of the Company at Wolfe Lodge, Farnham Road, Bordon, Hampshire, GU35 0NH and from the Company's website www.suretrackgroup.com