
REDTAIL TELEMATICS LIMITED

UNAUDITED
FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 MARCH 2018

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REDTAIL TELEMATICS LIMITED
REGISTERED NUMBER: 07407204

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	9,414	31,839
Investments	6	32,353	32,353
		<u>41,767</u>	<u>64,192</u>
Current assets			
Stocks	7	258,627	184,634
Debtors: amounts falling due within one year	8	3,764,467	4,239,568
Cash at bank and in hand	9	327,221	57,457
		<u>4,350,315</u>	<u>4,481,659</u>
Creditors: amounts falling due within one year	10	(4,887,954)	(5,255,981)
Net current liabilities		<u>(537,639)</u>	<u>(774,322)</u>
Total assets less current liabilities		<u>(495,872)</u>	<u>(710,130)</u>
Net liabilities		<u>(495,872)</u>	<u>(710,130)</u>
Capital and reserves			
Called up share capital		300	300
Profit and loss account	12	(496,172)	(710,430)
		<u>(495,872)</u>	<u>(710,130)</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

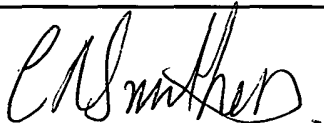
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 December 2018.

REDTAIL TELEMATICS LIMITED
REGISTERED NUMBER: 07407204

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2018



Colin Smithers
Director

The notes on pages 3 to 12 form part of these financial statements.

REDTAIL TELEMATICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

Redtail Telematics Limited is a limited liability company incorporated and registered in England and Wales. The Company's principal activity is the design and sale of vehicle telematics equipment.

Redtail Telematics Limited is a full service TSP (Telematics Service Provider) that supplies hardware, data services and data analytics for customers in UBI (Usage Based Insurance), fleet telematics and SVR (Stolen Vehicle Recovery) markets. Recently this has extended to delivering customer prototypes and solutions for Connected Vehicle applications to automotive OEMs and related industries.

Redtail continues its history of innovation in areas such as edge computing in its hardware, advanced driver scoring and crash analytics. The data and analytics are delivered through a variety of platforms including via APIs and User Interfaces for desktop and mobile devices.

Redtail Telematics Limited's primary markets are in the UK, the US and across Europe.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements are presented in sterling.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The company satisfies the criteria of being a qualifying entity under FRS 102 section 1A.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The directors have considered the forecast results for the Company for at least twelve months from the date of signing the accounts. The directors are satisfied that the company will generate sufficient cash to meet its day-to-day needs for at least the period under review and therefore consider the going concern basis to be appropriate.

REDTAIL TELEMATICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income.

2.4 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

REDTAIL TELEMATICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

2. Accounting policies (continued)

2.5 Research and development

All expenditure on research and development is recognised as an expense in the period in which it is incurred.

2.6 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

REDTAIL TELEMATICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	33%
Office equipment	-	20%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

REDTAIL TELEMATICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The most significant area of judgement in the financial statements relates to the recoverability of debtors, in particular the recoverability of the balance of £2,666,983 (2017 - £2,474,108) with the Company's US subsidiary, Redtail Telematics Corporation (Redtail US). Having considered both historical results and the future forecasts and pipeline of Redtail US, the directors of Redtail Telematics Limited are satisfied that this balance will be recoverable and therefore have made no provision against this asset.

4. Employees

The average monthly number of employees, including directors, during the year was 14 (2017 - 13).

The Company has the benefit of additional resource from associated companies. Details of transactions of this nature during the year are given in note 14.

REDTAIL TELEMATICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Tangible fixed assets

	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2017	45,800	1,315	71,975	119,090
At 31 March 2018	45,800	1,315	71,975	119,090
Depreciation				
At 1 April 2017	45,800	219	41,232	87,251
Charge for the year on owned assets	-	1,096	21,329	22,425
At 31 March 2018	45,800	1,315	62,561	109,676
Net book value				
At 31 March 2018	-	-	9,414	9,414
At 31 March 2017	-	1,096	30,743	31,839

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2017	32,353
At 31 March 2018	32,353
Net book value	
At 31 March 2018	32,353
At 31 March 2017	32,353

REDTAIL TELEMATICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

6. Fixed asset investments (continued)

The company owns 100% of the ordinary share capital of Redtail Telematics Corporation, a company incorporated and operating in the USA.

7. Stocks

	2018 £	2017 £
Raw materials and consumables	34,674	43,241
Finished goods and goods for resale	223,953	141,393
	<u>258,627</u>	<u>184,634</u>

Stock recognised in cost of sales during the year as an expense was £2,120,951 (2017 - £2,644,512) .

An impairment loss of £67,430 (2017 - £41,730) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

8. Debtors

	2018 £	2017 £
Trade debtors	659,649	1,519,072
Amounts owed by group undertakings	2,777,235	2,474,108
Amounts owed by associated undertakings	28,016	7,728
Other debtors	190,589	-
Prepayments and accrued income	108,978	238,660
	<u>3,764,467</u>	<u>4,239,568</u>

Included in amounts owed by group undertakings is £1,500,000 designated as a loan with no fixed repayment date. Interest accrues on this loan at 4% per annum. The remaining amounts owed by group undertakings and associated undertakings are unsecured and non-interest bearing. Amounts provided for or written off during the year, and the provision at the year end, amount to £nil (2017 - £17,144).

REDTAIL TELEMATICS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

9. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	327,221	57,457
	<u>327,221</u>	<u>57,457</u>

At the financial year end there was an omnibus guarantee and set-off agreement in place with the bank. The companies to which this relates are associated companies by reasons of common control and common directorships, and includes Plextek Limited, Plextek Services Limited, Plextek RFI Limited, Redtail Telematics Limited and Blighter Surveillance Systems Limited. At 31 March 2018, the potential liability in respect of this agreement was £nil (2017 - £727,404).

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	81,542	48,945
Amounts owed to associates	4,271,112	4,646,997
Other taxation and social security	46,085	39,002
Other creditors	7,399	6,928
Accruals and deferred income	481,816	514,109
	<u>4,887,954</u>	<u>5,255,981</u>

Amounts owed to associates are unsecured. At the year end, an amount of £3,000,000 (2017 - £2,870,876) was classified as a loan with no fixed date of repayment. Interest accrues on this loan at 4% per annum.

REDTAIL TELEMATICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

11. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at amortised cost	<u>4,068,304</u>	<u>4,289,018</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>4,531,591</u>	<u>4,866,191</u>

Financial assets measured at amortised cost comprise cash and all debtors, excluding prepayments.

Financial liabilities measured at amortised cost comprise all creditors, excluding taxation and social security and deferred income.

12. Reserves

Profit and loss account

The profit and loss account includes all current and prior year retained profits and losses.

13. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £86,546 (2017 - £78,724). Contributions totalling £7,399 (2017 - £6,928) were payable to the fund at the reporting date and are included in creditors. In addition, £2,997 (2017 - £nil) is included as a liability as part of the accrued payroll expenses associated with two voluntary salary sacrifice schemes in Plextek Limited, an associated company, in relation to employees who have since transferred from Plextek Limited to Redtail Telematics Limited.

REDTAIL TELEMATICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

14. Related party transactions

CR Smithers, director, T Jackson, director, and IA Murphy, director, are directors of Plextek Limited ("Plextek"). During the year, goods were purchased for £2,204,117 (2017 - £2,550,462) from Plextek and other expenses totalling £916,784 (2017 - £990,072) borne by Plextek on behalf of Redtail Telematics Limited ("Redtail") were recharged at cost. Goods and services were purchased from Plextek with a value of £617,161 (2017 - £650,984), including an amount of £87,300 (2017 - £87,300) in respect of services provided by CR Smithers. In addition, Redtail drew down short-term cashflow loans from Plextek with an aggregate value of £125,000 (2017 - £nil). At 31 March 2018, the Company owed Plextek £1,107,319 (2017 - £1,543,190) in relation to these transactions. In addition, Redtail has a loan balance with Plextek at 31 March 2018 of £3,000,000 (2017 - £2,870,876). This loan has no fixed repayment date and carries interest at a rate of 4% per annum, on which interest of £110,418 (2017 - £110,418) has been charged.

T Jackson, director, is a director of Telensa Ltd ("Telensa"). During the year, Redtail made sales of goods and services to Telensa with a value of £93,106 (2017 - £110,774). At 31 March 2018, Telensa owed Redtail £19,710 (2017 - £7,728) in respect of these transactions.

C R Smithers, director, T Jackson, director and I A Murphy, director, are directors of Plextek Services Limited ("PSL"). Goods and services were purchased from PSL with a value of £554,746 (2017 - £875,901) by Redtail. At 31 March 2018, Redtail owed PSL £163,793 (2017 - £232,931) in relation to these transactions.

Sales of goods were made to Redtail Telematics Corporation ("Redtail US"), a 100% owned subsidiary, during the year with a value of £nil (2017 - £48,268). In addition, expenses borne by Redtail were recharged to Redtail US with a value of £135,644 (2017 - £291,722) and short-term cash advances were made to Redtail US with a value of £321,146 (2017 - £313,970). In addition, Redtail charged Redtail US £116,170 interest in respect of a £1,500,000 loan facility with no fixed repayment date on which interest accrues at 4% per annum. At the year end, Redtail US owed Redtail £2,777,235 (2017 - £2,474,108) in respect of these transactions.