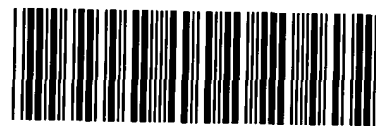


Report of the Directors and
Financial Statements for the Year Ended 31 July 2019
for
Ontrac Technology Limited

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for the Year Ended 31 July 2019

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Ontrac Technology Limited

Company Information
for the Year Ended 31 July 2019

DIRECTORS:

M J Cawthra
A Johnson
M Cuthbert
C M Barnes

SECRETARY:

M J Cawthra

REGISTERED OFFICE:

Nexus
Discovery Way
Leeds
England
LS2 3AA

REGISTERED NUMBER:

08423588 (England and Wales)

AUDITORS:

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Ontrac Technology Limited

Report of the Directors for the Year Ended 31 July 2019

The directors present their report with the financial statements of the company for the year ended 31 July 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a holding company for Ontrac Limited, a trading subsidiary.

REVIEW OF BUSINESS

The directors are satisfied with the performance in the year and the resulting financial position.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2018 to the date of this report.

M J Cawthra
A Johnson
M Cuthbert

Other changes in directors holding office are as follows:

J C McArthur - resigned 1 May 2019
C M Barnes - appointed 1 May 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, KPMG LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Ontrac Technology Limited

Report of the Directors
for the Year Ended 31 July 2019

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
M J Cawthra - Director

Nexus
Discovery Way
Leeds
England
LS2 3AA

14 November 2019

Independent Auditor's Report to the members of Ontrac Technology Limited

Opinion

We have audited the financial statements of Ontrac Technology Limited ("the company") for the year ended 31 July 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, and the Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Independent Auditor's Report to the members of Ontrac Technology Limited (continued)

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.



David Morritt (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

14 November 2019

Ontrac Technology Limited

Statement of Comprehensive Income
for the Year Ended 31 July 2019

	Notes	31.7.19 £	31.7.18 £
REVENUE		-	-
Administrative expenses		<u>61</u>	<u>106</u>
OPERATING LOSS		(61)	(106)
Interest receivable and similar income		<u>3</u>	<u>8</u>
LOSS BEFORE TAXATION	4	(58)	(98)
Tax on loss	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(58)	(98)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(58)</u>	<u>(98)</u>

The notes form part of these financial statements

Balance Sheet

31 July 2019

	Notes	31.7.19 £	31.7.18 £
FIXED ASSETS			
Investments	6	328,528	328,528
CURRENT ASSETS			
Debtors	7	950,073	950,073
Cash at bank		<u>80,430</u>	<u>80,488</u>
		1,030,503	1,030,561
CREDITORS			
Amounts falling due within one year	8	<u>220,006</u>	<u>220,006</u>
NET CURRENT ASSETS		<u>810,497</u>	<u>810,555</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,139,025</u>	<u>1,139,083</u>
CAPITAL AND RESERVES			
Called up share capital	9	1,051	1,051
Share premium		181,598	181,598
Retained earnings	10	<u>956,376</u>	<u>956,434</u>
SHAREHOLDERS' FUNDS		<u>1,139,025</u>	<u>1,139,083</u>

The financial statements were approved by the Board of Directors on 14 November 2019. and were signed on its behalf by:



.....
M J Cawthra - Director

Ontrac Technology Limited

Statement of Changes in Equity
for the Year Ended 31 July 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 August 2017	1,051	956,532	181,598	1,139,181
Changes in equity				
Total comprehensive income	-	(98)	-	(98)
Balance at 31 July 2018	<u>1,051</u>	<u>956,434</u>	<u>181,598</u>	<u>1,139,083</u>
Changes in equity				
Total comprehensive income	-	(58)	-	(58)
Balance at 31 July 2019	<u>1,051</u>	<u>956,376</u>	<u>181,598</u>	<u>1,139,025</u>

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Ontrac Technology Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date.

Going Concern

The Company has net current assets and net assets as at 31 July 2019 and is the parent company of Ontrac Limited. Ontrac Limited additionally has sufficient cash resources together with a wide base of customers and limited reliance on external suppliers. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

3. **EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31 July 2019 nor for the year ended 31 July 2018.

	31.7.19	31.7.18
	£	£
Directors' remuneration	-	-

No director received any payments in respect of services as a director of the company (2018: nil). It is not possible to separately identify directors' emoluments for this company and accordingly no details are provided. The total emoluments of directors' are disclosed in the financial statements of Tracsis plc in respect of J McArthur, M Cawthra and C Barnes, Ontrac Limited in respect of M Cuthbert, and Tracsis Traffic Data Limited in respect of A Johnson.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

4. **LOSS BEFORE TAXATION**

Auditor's remuneration has been borne by other Group companies in 2019 and 2018.

5. **TAXATION**

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 July 2019 nor for the year ended 31 July 2018.

5. **TAXATION - continued**

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.7.19 £	31.7.18 £
Loss before income tax	<u>(58)</u>	<u>(98)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(11)	(19)
Effects of:		
Other	<u>11</u>	<u>19</u>
Tax expense	<u>-</u>	<u>-</u>

6. **INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 August 2018 and 31 July 2019	<u>328,528</u>
NET BOOK VALUE	
At 31 July 2019	<u>328,528</u>
At 31 July 2018	<u>328,528</u>

The company's investments at the Balance Sheet date were in the share capital of the following:

Ontrac Limited

Registered office: Nexus, Discovery Way, Leeds, England, LS2 3AA

Nature of business: Provision of software for the rail industry

Class of shares/holding: Ordinary A/100%

	31.7.19 £	31.7.18 £
Aggregate Capital and Reserves	9,486,255	8,611,031
Profit for the year	1,445,038	1,787,738

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.7.19	31.7.18
	£	£
Amounts owed by group undertakings	950,000	950,000
Other debtors	<u>73</u>	<u>73</u>
	<u>950,073</u>	<u>950,073</u>

Amounts owed by group undertakings are non-interest bearing and are receivable on demand.

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.7.19	31.7.18
	£	£
Amounts owed to group undertakings	<u>220,006</u>	<u>220,006</u>

Amounts owed to group undertakings are non-interest bearing and are repayable on demand.

9. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.19	31.7.18
			£	£
1,001	A ordinary	1	1,001	1,001
50	B ordinary	1	<u>50</u>	<u>50</u>
			<u>1,051</u>	<u>1,051</u>

A and B ordinary shares are ranked equally. Each A and B share entitles the holder to one vote, and rights to dividends are shared equally between holders. A and B shares are non-redeemable.

10. **RESERVES**

	Retained earnings	Share premium	Totals
	£	£	£
At 1 August 2018	956,434	181,598	1,138,032
Loss for the year	<u>(58)</u>	<u></u>	<u>(58)</u>
At 31 July 2019	<u>956,376</u>	<u>181,598</u>	<u>1,137,974</u>

11. **ULTIMATE PARENT COMPANY**

The ultimate parent undertaking is Tracsis plc, a company registered in England and Wales. Copies of the group's financial statements can be obtained from Tracsis plc, Nexus, Discovery Way, Leeds, England, LS2 3AA. No other consolidated accounts include the results of this company.

12. **RELATED PARTY DISCLOSURES**

On 21 July 2016, Martyn Cuthbert, a Director of Ontrac Limited, entered into an agreement with Tracsis plc, the ultimate parent undertaking of Ontrac Limited and Ontrac Technology Limited for Tracsis to make an investment in Nutshell Software Limited. Further details of this transaction are provided in the Annual Report for Tracsis plc.