

Registered number: 07902511

TRAKCEL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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TRAKCEL LIMITED

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TRAKCEL LIMITED

COMPANY INFORMATION

Directors	R C Hart (appointed 17 October 2016) J M Mackowski (appointed 17 October 2016) R Nalliah T A Raffin (appointed 17 October 2016) P J Roberts
Registered number	07902511
Registered office	10-11 Raleigh Walk Waterfront 2000 Brigantine Place Cardiff CF10 4LN
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

TRAKCEL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and the audited financial statements of Trakcel Limited (the "company") for the year ended 31 December 2016.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

R C Hart (appointed 17 October 2016)
J M Mackowski (appointed 17 October 2016)
R Nalliah
T A Raffin (appointed 17 October 2016)
P J Roberts
J P Curley (resigned 17 October 2016)
J D M Rudolf (appointed 13 June 2016, resigned 17 October 2016)
K S Smith (resigned 13 June 2016)
K J Winmill (resigned 17 October 2016)
P Wright (resigned 17 October 2016)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

TRAKCEL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Small companies note

In preparing this report, the directors have taken advantage of the small Companies exemption provided by section 415A of the Companies Act 2006.

Going concern

At 31 December 2016, the Company had a cash and cash equivalents position of £1,595,145 with no bank debt and a further £2,432,676 in cash funds held by its immediate parent company and available on demand. The Directors have prepared detailed monthly projections of future cash flows for the remainder of the December 2017 financial year and for the full year ended December 2018. The base case forecast includes expected revenue growth based on recent contract wins, together with further investment in the cost base. Additional scenarios have been modelled reflecting differing revenue growth rates with corresponding adjustments to the level of investment in the Company's cost base. After due consideration, the Directors have concluded that, based on their forecast and the continued support of their main shareholder, there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

This report was approved by the board on 28 September 2017 and signed on its behalf by:



R Nalliah
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAKCEL LIMITED

Report on the financial statements

Our opinion

In our opinion, TrakCel Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the statement of income and retained earnings for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of an audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAKCEL LIMITED

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

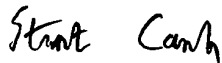
We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

TRAKCEL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRAKCEL LIMITED

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.



Stuart Couch (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

Date: 29 SEPTEMBER 2017

TRAKCEL LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
Turnover	495,615	362,988
Cost of sales	(465,655)	(156,510)
Gross profit	29,960	206,478
Administrative expenses	(1,155,780)	(785,794)
Other operating income	240,868	42,062
Loss before tax	(884,952)	(537,254)
Taxation	(63,352)	218,064
Loss after tax	(948,304)	(319,190)
Retained earnings:		
Retained earnings at the beginning of the year	(107,468)	211,722
Loss for the financial year	(948,304)	(319,190)
Retained earnings at the end of the year	(1,055,772)	(107,468)

The notes on pages 9 to 19 form part of these financial statements.

TRAKCEL LIMITED
REGISTERED NUMBER: 07902511

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	5	2,357,992	1,549,106
Tangible assets	6	47,360	20,221
		<u>2,405,352</u>	<u>1,569,327</u>
Current assets			
Debtors	7	2,750,646	305,546
Cash at bank and in hand		1,595,145	70,840
		<u>4,345,791</u>	<u>376,386</u>
Creditors: amounts falling due within one year	8	(376,538)	(522,880)
Net current assets/(liabilities)		<u>3,969,253</u>	<u>(146,494)</u>
Total assets less current liabilities		<u>6,374,605</u>	<u>1,422,833</u>
Creditors: amounts falling due after more than one year	9	(56,817)	(379,301)
Provisions for liabilities			
Deferred tax	10	(12,405)	-
		<u>(12,405)</u>	<u>-</u>
Net assets		<u><u>6,305,383</u></u>	<u><u>1,043,532</u></u>
Capital and reserves			
Called up share capital		4,562	1,871
Share premium account		7,356,593	1,149,129
Profit and loss account		(1,055,772)	(107,468)
Total shareholders' funds		<u><u>6,305,383</u></u>	<u><u>1,043,532</u></u>

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 were approved and authorised for issue by the board and were signed on its behalf on 28 September 2017 by:



R Nalliah
Director

The notes on pages 9 to 19 form part of these financial statements.

TRAKCEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Trakcel Limited (the "company") is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is 10-11 Raleigh Walk Waterfront 2000, Brigantine Place, Cardiff, CF10 4LN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, 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. This is the first year that the company has presented its results under FRS 102 Section 1A. The impact of the transition to FRS 102 for the company has been presented in note.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Going concern

At 31 December 2016, the Company had a cash and cash equivalents position of £1,595,145 with no bank debt and a further £2,432,676 in cash funds held by its immediate parent company and available on demand. The Directors have prepared detailed monthly projections of future cash flows for the remainder of the December 2017 financial year and for the full year ended December 2018. The base case forecast includes expected revenue growth based on recent contract wins, together with further investment in the cost base. Additional scenarios have been modelled reflecting differing revenue growth rates with corresponding adjustments to the level of investment in the Company's cost base. After due consideration, the Directors have concluded that, based on their forecast and the continued support of their main shareholder, there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover 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

Turnover 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 turnover 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.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	3 to 10 years
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2.5 Tangible assets

Tangible 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.5 Tangible 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:

Fixtures and fittings	- 4 years
Computer equipment	- 5 years

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 Income and Retained Earnings.

2.6 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.

2.7 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instruments 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

2.9 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.10 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 Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.11 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.13 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 Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.15 Current and deferred taxation

Tax is recognised in the Statement of Income and Retained Earnings, 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.16 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 10 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

TRAKCEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

3. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £10,000 (2015 - unaudited).

4. Employees

The average monthly number of employees, including directors, during the year was 24 (2015 - 12).

5. Intangible assets

	Development costs £
Cost	
At 1 January 2016	1,549,106
Additions	846,049
At 31 December 2016	<u>2,395,155</u>
Amortisation	
Charge for the year	37,163
At 31 December 2016	<u>37,163</u>
Net book value	
At 31 December 2016	<u><u>2,357,992</u></u>
At 31 December 2015	<u><u>1,549,106</u></u>

TRAKCEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Tangible assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 January 2016	1,797	29,195	30,992
Additions	9,971	27,692	37,663
At 31 December 2016	11,768	56,887	68,655
Depreciation			
At 1 January 2016	772	9,999	10,771
Charge for the year	1,716	8,808	10,524
At 31 December 2016	2,488	18,807	21,295
Net book value			
At 31 December 2016	9,280	38,080	47,360
At 31 December 2015	1,025	19,196	20,221

TRAKCEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. Debtors

	2016 £	2015 £
Trade debtors	146,779	51,732
Amounts owed by group undertakings	2,432,676	-
Other debtors	38,252	23,820
Prepayments and accrued income	67,287	11,930
Corporation tax recoverable	65,652	218,064
	<u>2,750,646</u>	<u>305,546</u>

8. Creditors: amounts falling due within one year

	2016 £	2015 £
Other loans	34,092	-
Trade creditors	126,679	118,047
Amounts owed to group undertakings	22,146	-
Other taxation and social security	54,212	21,592
Other creditors	34,241	357,241
Accruals and deferred income	105,168	26,000
	<u>376,538</u>	<u>522,880</u>

The other loan, received from the Welsh Government, is unsecured, interest free and repayable within 3 years.

9. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other loans	56,817	125,000
Other creditors	-	254,301
	<u>56,817</u>	<u>379,301</u>

The other loan, received from the Welsh Government, is unsecured, interest free and repayable within 3 years.

TRAKCEL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. Deferred taxation

	2016 £
Charged to income statement for the year	189,749
Adjustments in respect of prior years	(202,154)
At end of year	(12,405)

The deferred taxation balance is made up as follows:

	2016 £
Fixed asset timing differences	(415,228)
Losses	386,410
R&D expenditure credit	16,413
	(12,405)

11. Pension commitments

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £7,534 (2015: £Nil).

TRAKCEL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

12. Related party transactions

During the year Trakcel Limited was invoiced £91,669 (2015: £80,992) in consultancy fees from SA One Healthtech Limited. The balance outstanding at the year end was £Nil (2015: £Nil). The businesses are related due to common directors.

During the year Trakcel Limited was invoiced £49,900 (2015: £87,660) in consultancy fees from Scalaris Technologies Limited. The balance outstanding at the year end was £Nil (2015: £39,840). The businesses are related due to common directors.

During the year, Trakcel Limited invoiced £6,000 (2015: £Nil) in rent to Scalaris Technologies Limited. The balance owed by Scalaris Technologies Limited at year end is £Nil (2015: £Nil).

During the year Trakcel Limited was invoiced £9,000 (2015: £36,000) in rent from Axon4 Consulting Limited. The balance outstanding at the year end was £Nil (2015: £14,400). The businesses are related due to common directors.

During the year, Trakcel Limited was invoiced £45,000 (2015: £Nil) in rent from Corvette Properties Limited. The balance outstanding at year end was £18,000 (2015: £Nil).

During the year, Trakcel Limited was invoiced £21,800 (2015: £Nil) in subcontractor fees from Biotechnics Limited. The balance outstanding at year end is £5,160 (2015: £Nil). During the year Trakcel Limited invoiced for services of £1,000 (2015: £Nil) to Biotechnics Limited. The total amount owed by Biotechnics Limited at year end was £Nil (2015: £Nil).

During the year Trakcel Limited was invoiced £22,344 (2015: £Nil) for services provided by its controlling party, Telegraph Hill Partners. The balance outstanding at year end was £22,146 (2015: £Nil).

As at 31 December 2016, Trakcel Limited was owed £2,432,676 from its immediate parent company Trakcel Holding Company Inc. (2015: £Nil).

13. Controlling party

The immediate parent company is Trakcel Holding Company Inc., a company incorporated in the United States of America. The ultimate controlling parties are the members of Telegraph Hill Partners, a private equity fund based in the United States of America.