

Report of the Directors and  
Financial Statements for the Year Ended 31 July 2020  
for  
Ontrac Technology Limited  
Company number: 08423588



Ontrac Technology Limited

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for the Year Ended 31 July 2020

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Ontrac Technology Limited

Company Information  
for the Year Ended 31 July 2020

**DIRECTORS:**

M J Cawthra  
A Johnson  
M S Cuthbert  
C M Barnes

**SECRETARY:**

M J Cawthra

**REGISTERED OFFICE:**

Nexus  
Discovery Way  
Leeds  
LS2 3AA

**REGISTERED NUMBER:**

08423588 (England and Wales)

**AUDITORS:**

Grant Thornton UK LLP  
No 1 Whitehall Riverside  
Leeds  
LS1 4BN

Ontrac Technology LimitedReport of the Directors  
for the Year Ended 31 July 2020

The directors present their report with the financial statements of the company for the year ended 31 July 2020.

**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.

**DIVIDENDS**

Dividends paid in the year total £5,000,000 (year ended 31 July 2019: £nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 August 2019 to the date of this report.

M J Cawthra  
A Johnson  
M S Cuthbert  
C M Barnes

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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;
- 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 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, Grant Thornton UK 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 2020

### **THIRD PARTY INDEMNITY PROVISIONS**

All directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

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

Date: 4 December 2020

## Report of the Independent Auditors 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 2020, which comprise the Statement of Comprehensive income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **The impact of macro-economic uncertainties on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the *unknowable factors or all possible future implications for a company associated with these particular events.*

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

*In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue.*

**Report of the Independent Auditors to the Members of Ontrac Technology Limited**

In accordance with the above, 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.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Report of the Directors and Financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Report of the Directors and from the requirement to prepare a strategic report.

Report of the Independent Auditors to the Members of Ontrac Technology Limited**Responsibilities of directors for the financial statements**

As explained more fully in the statement of directors' responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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.

*Grant Thornton UK LLP*

Victoria McLoughlin BA FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Leeds  
4 December 2020



Ontrac Technology LimitedStatement of Comprehensive Income  
for the Year Ended 31 July 2020

	Notes	31.7.20 £	£	31.7.19 £	£
<b>REVENUE</b>			-		-
Administrative expenses			(30)		(61)
<b>OPERATING LOSS</b>			(30)		(61)
Income from shares in group undertakings		5,000,000		-	
Interest receivable and similar income		-		3	
			5,000,000		3
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	4		4,999,970		(58)
Tax on profit/(loss)	5		-		-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>			4,999,970		(58)
<b>OTHER COMPREHENSIVE INCOME</b>			-		-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			4,999,970		(58)

The notes form part of these financial statements

Ontrac Technology Limited (Registered number: 08423588)Balance Sheet31 July 2020

	Notes	31.7.20 £	31.7.19 £
<b>FIXED ASSETS</b>			
Investments	7	328,528	328,528
<b>CURRENT ASSETS</b>			
Debtors	8	950,073	950,073
Cash at bank		<u>80,400</u>	<u>80,430</u>
		1,030,473	1,030,503
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>220,006</u>	<u>220,006</u>
<b>NET CURRENT ASSETS</b>		<u>810,467</u>	<u>810,497</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,138,995</u>	<u>1,139,025</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1,051	1,051
Share premium		181,598	181,598
Retained earnings	11	<u>956,346</u>	<u>956,376</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>1,138,995</u>	<u>1,139,025</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 4 December 2020. and were signed on its behalf by:



.....  
M J Cawthra - Director

The notes form part of these financial statements

Ontrac Technology LimitedStatement of Changes in Equity  
for the Year Ended 31 July 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 August 2018</b>	1,051	956,434	181,598	1,139,083
<b>Changes in equity</b>				
Total comprehensive income	-	(58)	-	(58)
<b>Balance at 31 July 2019</b>	<u>1,051</u>	<u>956,376</u>	<u>181,598</u>	<u>1,139,025</u>
<b>Changes in equity</b>				
Total comprehensive income	-	4,999,970	-	4,999,970
<i>Transactions with owners</i>				
Dividends	-	(5,000,000)	-	(5,000,000)
<b>Balance at 31 July 2020</b>	<u>1,051</u>	<u>956,346</u>	<u>181,598</u>	<u>1,138,995</u>

The notes form part of these financial statements

Ontrac Technology LimitedNotes to the Financial Statements  
for the Year Ended 31 July 2020**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 is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. The consolidated financial statements of Tracsis Plc, within which this company is included, can be obtained from the address given in note 12.

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

- 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
- 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 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.

**New standards, amendments and IFRIC interpretations**

There have been no amendments to accounting standards or IFRIC interpretations that are effective for the year ended 31 July 2020 that have had a material impact on the Company's financial statements.

**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**

These financial statements have been prepared on the going concern basis. The company has Net Assets and Net Current Assets, the Company is a holding company with limited activities and no committed costs. The Directors consider that the Company has sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

**3. EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31 July 2020 nor for the year ended 31 July 2019.

	31.7.20	31.7.19
	£	£
Directors' remuneration	<u>          </u>	<u>          </u>

No director received any payments in respect of services as a director of the company (2019: £nil). It is not possible to separately identify directors' emoluments for this company and accordingly no details are provided.

**4. PROFIT/(LOSS) BEFORE TAXATION**

Auditor's remuneration has been borne by other Group companies in 2020 and 2019.

Ontrac Technology LimitedNotes to the Financial Statements - continued  
for the Year Ended 31 July 2020**5. TAXATION****Analysis of tax expense**

No liability to UK corporation tax arose for the year ended 31 July 2020 nor for the year ended 31 July 2019.

**Factors affecting the tax expense**

The tax assessed for the year is lower (2019 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	31.7.20 £	31.7.19 £
Profit/(loss) before income tax	<u>4,999,970</u>	<u>(58)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	949,994	(11)
Effects of:		
Non taxable income	(950,000)	-
Other	<u>6</u>	<u>11</u>
Tax expense	<u>-</u>	<u>-</u>

**6. DIVIDENDS**

	31.7.20 £	31.7.19 £
A ordinary shares of £1 each		
Interim	<u>5,000,000</u>	<u>-</u>

**7. INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 August 2019 and 31 July 2020	<u>328,528</u>
<b>NET BOOK VALUE</b>	
At 31 July 2020	<u>328,528</u>
At 31 July 2019	<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%

	31.7.20 £	31.7.19 £
Aggregate Capital and Reserves	5,880,247	9,486,255
Profit for the year	1,395,237	1,445,038

Ontrac Technology LimitedNotes to the Financial Statements - continued  
for the Year Ended 31 July 2020**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.7.20	31.7.19
	£	£
Amounts owed by group undertakings	950,000	950,000
Directors' loan account	73	73
	<u>950,073</u>	<u>950,073</u>

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

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

	31.7.20	31.7.19
	£	£
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.

**10. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.20	31.7.19
			£	£
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.

**11. RESERVES**

	Retained earnings	Share premium	Totals
	£	£	£
At 1 August 2019	956,376	181,598	1,137,974
Profit for the year	4,999,970		4,999,970
Dividends	<u>(5,000,000)</u>		<u>(5,000,000)</u>
At 31 July 2020	<u>956,346</u>	<u>181,598</u>	<u>1,137,944</u>

**12. ULTIMATE PARENT COMPANY**

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements 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, LS2 3AA. No other consolidated accounts include the results of this company.

**13. RELATED PARTY DISCLOSURES**

The company is exempt from disclosing related party transactions that are with other companies that are wholly owned within Tracsis plc group. Outstanding balances with these group companies at the year end are disclosed in note 8 and note 9 to these financial statements.

Ontrac Technology LimitedNotes to the Financial Statements - continued  
for the Year Ended 31 July 202013. **RELATED PARTY DISCLOSURES (continued)**

On 21 July 2016, M S 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.

The directors' loan account at 31 July 20 was £73 (2019: £73) and is due from M S Cuthbert. There has been no movement in the year.