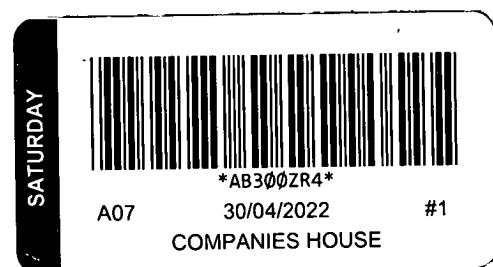


Company Registration No. 08423588 (England and Wales)

Ontrac Technology Limited
Annual Report And Financial Statements
For The Year Ended 31 July 2021



ONTRAC TECHNOLOGY LIMITED

COMPANY INFORMATION

Directors

Mr C M Barnes
Mr A J Kelly (Appointed 1 February 2021)
Mr A Johnson
Mr M S Cuthbert

Secretary

Mr A J Kelly

Company number

08423588

Registered office

Nexus
Discovery Way
Leeds
LS2 3AA

Auditor

Grant Thornton UK LLP
1 Whitehall Riverside
Leeds
LS1 4BN

ONTRAC TECHNOLOGY LIMITED

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ONTRAC TECHNOLOGY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2021

The directors present their annual report and financial statements for the year ended 31 July 2021.

Principal activities

The principal activity of the company continued to be that of a holding company for Ontrac Limited, a trading subsidiary.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid in the year (2020 - £5,000,000) The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr C M Barnes

Mr A J Kelly

(Appointed 1 February 2021)

Mr A Johnson

Mr M S Cuthbert

Mr M Cawthra

(Resigned 29 January 2021)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

The auditor, Grant Thornton UK LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.


Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies exemption

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

On behalf of the board



Mr A J Kelly

Director

28/4/2022

Date:

ONTRAC TECHNOLOGY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 JULY 2021

The directors are responsible for preparing the annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 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.

ONTRAC TECHNOLOGY LIMITED

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 2021, 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 2021 and of its loss 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

ONTRAC TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ONTRAC TECHNOLOGY LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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 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.

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 directors' report.

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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

ONTRAC TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ONTRAC TECHNOLOGY LIMITED

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. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are financial reporting legislation being United Kingdom Generally Accepted Accounting Practice, Companies Act 2006, and relevant tax regulations.
- We understood how the company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures. We corroborated our inquiries through review of board minutes.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - journal entries that increased revenues or that reclassified costs from the income statement to the balance sheet that are posted by senior finance personnel;
 - potential management bias in determining accounting estimates; and
 - transactions with related parties.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the company operates; and
 - understanding of the legal and regulatory requirements specific to the company.
- We had team communications in respect of potential non-compliance with laws and regulations and fraud including the potential for fraud in revenue recognition through manipulation of deferred income.
- In assessing the potential risks of material misstatement, we obtained an understanding of the company's operations, including the nature of their revenue sources, products and services and of their objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.

ONTRAC TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ONTRAC TECHNOLOGY LIMITED

- We obtained an understanding of the company's control environment, including the adequacy of the training to inform staff of the relevant legislation, the adequacy of procedures for authorisation of transactions and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

28/4/2022

Date:

Chartered Accountants
Statutory Auditor
Leeds

ONTRAC TECHNOLOGY LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2021**

| | Notes | 2021 £ | 2020 £ |
|--|-------|-------------|------------------|
| Administrative expenses | | (30) | (30) |
| Investment income | 5 | - | 5,000,000 |
| (Loss)/profit before taxation | | (30) | 4,999,970 |
| Tax on (loss)/profit | 6 | - | - |
| (Loss)/profit and total comprehensive income for the financial year | | (30) | 4,999,970 |

ONTRAC TECHNOLOGY LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2021**

| | Notes | 2021 £ | £ | 2020 £ | £ |
|-----------------------------|-------|-----------|-----------|-----------|-----------|
| Non-current assets | | | | | |
| Investments | 8 | | 328,528 | | 328,528 |
| Current assets | | | | | |
| Trade and other receivables | 10 | 950,073 | | 950,073 | |
| Cash and cash equivalents | | 80,370 | | 80,400 | |
| | | 1,030,443 | | 1,030,473 | |
| Current liabilities | | | | | |
| Trade and other payables | 11 | 220,006 | | 220,006 | |
| Net current assets | | | 810,437 | | 810,467 |
| Net assets | | | 1,138,965 | | 1,138,995 |
| Equity | | | | | |
| Called up share capital | 12 | | 1,051 | | 1,051 |
| Share premium account | 13 | | 181,598 | | 181,598 |
| Retained earnings | | | 956,316 | | 956,346 |
| Total equity | | | 1,138,965 | | 1,138,995 |

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

28/4/2022

The financial statements were approved by the board of directors and authorised for issue on
and are signed on its behalf by:

Andrew Kelly

Mr A J Kelly

Director

Company Registration No. 08423588

ONTRAC TECHNOLOGY LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2021**

| | Notes | Share capital £ | Share premium account £ | Retained earnings £ | Total £ |
|--|-------|-----------------------|----------------------------------|---------------------------|-------------|
| Balance at 1 August 2019 | | 1,051 | 181,598 | 956,376 | 1,139,025 |
| Year ended 31 July 2020: | | | | | |
| Profit and total comprehensive income for the year | | - | - | 4,999,970 | 4,999,970 |
| Transactions with owners: | | | | | |
| Dividends | 7 | - | - | (5,000,000) | (5,000,000) |
| Balance at 31 July 2020 | | 1,051 | 181,598 | 956,346 | 1,138,995 |
| Year ended 31 July 2021: | | | | | |
| Loss and total comprehensive income for the year | | - | - | (30) | (30) |
| Balance at 31 July 2021 | | 1,051 | 181,598 | 956,316 | 1,138,965 |

ONTRAC TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Company information

Ontrac Technology Limited is a private company limited by shares incorporated in England and Wales. The registered office is Nexus, Discovery Way, Leeds, LS2 3AA. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost. The principal accounting policies adopted are set out below.

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- the requirements of IAS 7 'Statement of Cash Flows' to present a statement of cash flows;
- disclosure of key management personnel compensation;
- comparative period reconciliations for the number of shares outstanding and the carrying amounts of property, plant and equipment and intangible assets;
- a reconciliation of the number and weighted average exercise prices of share options, how the fair value of share-based payments was determined and their effect on profit or loss and the financial position; and
- the requirements of IAS 24 'Related Party Disclosures' to disclose related party transactions and balances between two or more members of a group.

Where required, equivalent disclosures are given in the group accounts of Tracsis Plc. The group accounts of Tracsis Plc are available to the public and can be obtained as set out in note 15.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Ontrac Technology Limited is a wholly owned subsidiary of Tracsis Plc and the results of Ontrac Technology Limited are included in the consolidated financial statements of Tracsis Plc which are available from their registered address as set out in note 15.

1.2 Going concern

The directors believe it remains appropriate to prepare the financial statements on a going concern basis based on their enquiries. The parent company (Tracsis Plc) have confirmed their intention to provide financial support to Ontrac Technology Limited as needed to pay their liabilities for a period of at least 12 months from the date of approval of these financial statements, including if necessary, not seeking repayment of amounts currently owing to Tracsis Plc. Therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, and continue to adopt the going concern basis of accounting.

1.3 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.

ONTRAC TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 JULY 2021**2 Auditor's remuneration**

Auditors remuneration has been borne by other Group companies in 2021 and 2020.

3 Employees

There no employees for the year ended 31 July 2021 nor for the year ended 31 July 2020.

| | 2021 Number | 2020 Number |
|-------|----------------|----------------|
| Total | - | - |

4 Directors' remuneration

No director received any payments in respect of services as a director of the company (2020 - £nil). It is not possible to separately identify directors' emoluments for this company and accordingly no details are provided.

5 Investment income

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Income from fixed asset investments | | |
| Income from shares in group undertakings | - | 5,000,000 |

6 Taxation

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| The charge for the year can be reconciled to the (loss)/profit per the income statement as follows: | | |

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| (Loss)/profit before taxation | (30) | 4,999,970 |
| Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2020: 19.00%) | (6) | 949,994 |
| Effect of expenses not deductible in determining taxable profit | - | (950,000) |
| Group relief | 6 | 6 |
| Taxation charge for the year | - | - |

The UK budget on 3 March 2021 announced the intention to increase the tax rate from the current rate of 19% to 25%, with effect from April 2023.

ONTRAC TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

7 Dividends

| | 2021 per share £ | 2020 per share £ | 2021 Total £ | 2020 Total £ |
|--------------------------------------|------------------------|------------------------|--------------------|--------------------|
| Amounts recognised as distributions: | | | | |
| A ordinary | | | | |
| Interim dividend paid | - | 4,995.00 | - | 5,000,000 |

8 Investments

| | Non-current 2021 £ | 2020 £ |
|-----------------------------|--------------------------|----------------|
| Investments in subsidiaries | 328,528 | 328,528 |
| | <u>328,528</u> | <u>328,528</u> |

9 Subsidiaries

Details of the company's subsidiaries at 31 July 2021 are as follows:

| Name of undertaking | Registered office | Principal activities | Class of shares held | % Held Direct |
|---------------------|-------------------|---|----------------------|---------------|
| Ontrac Limited | England and Wales | Information technology consultancy activities | Ordinary shares | 100.00 |

10 Trade and other receivables

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Amounts owed by fellow group undertakings | 950,000 | 950,000 |
| Other receivables | 73 | 73 |
| | <u>950,073</u> | <u>950,073</u> |

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

11 Trade and other payables

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Amounts owed to fellow group undertakings | 220,006 | 220,006 |

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

ONTRAC TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

12 Share capital

| | 2021 Number | 2020 Number | 2021 £ | 2020 £ |
|---|----------------|----------------|--------------|--------------|
| Ordinary share capital Issued and fully paid | | | | |
| A ordinary of £1 each | 1,001 | 1,001 | 1,001 | 1,001 |
| B ordinary of £1 each | 50 | 50 | 50 | 50 |
| | <u>1,051</u> | <u>1,051</u> | <u>1,051</u> | <u>1,051</u> |

13 Share premium account

| | 2021 £ | 2020 £ |
|--------------------------------------|----------------|----------------|
| At the beginning and end of the year | <u>181,598</u> | <u>181,598</u> |

14 Related party transactions

The company is exempt from disclosing related party transactions that are with other companies that are wholly owned within Tracsis Plc group.

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 21 was £73 (2020 - £73) and is due from M S Cuthbert. There has been no movement this year.

15 Controlling party

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.