

Registered number: 02558621

ONTRACK INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017



ONTRACK INTERNATIONAL LIMITED
REGISTERED NUMBER: 02558621

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	65,625	72,062
Investments	5	50	50
		<u>65,675</u>	<u>72,112</u>
Current assets			
Debtors: amounts falling due within one year	6	568,328	496,692
Cash at bank and in hand	7	315,271	625,391
		<u>883,599</u>	<u>1,122,083</u>
Creditors: amounts falling due within one year	8	(320,497)	(372,288)
Net current assets		<u>563,102</u>	<u>749,795</u>
Total assets less current liabilities		<u>628,777</u>	<u>821,907</u>
Net assets		<u><u>628,777</u></u>	<u><u>821,907</u></u>
Capital and reserves			
Called up share capital		104	104
Share premium account		102,034	102,034
Capital redemption reserve		2	2
Profit and loss account		526,637	719,767
		<u>628,777</u>	<u>821,907</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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

P E Bailey
 Director

Date:

15/4/17

The notes on pages 2 to 10 form part of these financial statements.

ONTRACK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated in England and Wales. The address of its Registered Office is Suite 2, The Stables, Cannons Mill Lane, Bishop's Stortford, Hertfordshire, CM23 2BN.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

2.2 Revenue

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

Rendering of services

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

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

2.3 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on the following basis.

S/term leasehold property	- on the straight line basis over useful life
Motor vehicles	- 33% on the straight line basis
Fixtures & fittings	- on the straight line basis over useful life

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.

ONTRACK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 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.

2.6 Cash and cash equivalents

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

2.7 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 that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

2.8 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.

ONTRACK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling.

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'.

2.10 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.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the Shareholders at an Annual General Meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 May 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

ONTRACK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

2. ACCOUNTING POLICIES (CONTINUED)

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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.15 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 Statement of Financial Position 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 Statement of Financial Position.

ONTRACK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 reporting 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 Statement of Financial Position 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 reporting date.

3. EMPLOYEES

The average monthly number of employees, including Directors, during the year was 18 (2016 - 16).

ONTRACK INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

4. TANGIBLE FIXED ASSETS

	Short term leasehold property £	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost or valuation				
At 1 May 2016	24,839	72,000	219,811	316,650
Additions	-	25,000	11,065	36,065
Disposals	-	(50,000)	(1,921)	(51,921)
At 30 April 2017	<u>24,839</u>	<u>47,000</u>	<u>228,955</u>	<u>300,794</u>
Depreciation				
At 1 May 2016	6,836	34,255	203,497	244,588
Charge for the year on owned assets	1,090	14,514	7,181	22,785
Disposals	-	(31,913)	(291)	(32,204)
At 30 April 2017	<u>7,926</u>	<u>16,856</u>	<u>210,387</u>	<u>235,169</u>
Net book value				
At 30 April 2017	<u>16,913</u>	<u>30,144</u>	<u>18,568</u>	<u>65,625</u>
At 30 April 2016	<u>18,003</u>	<u>37,745</u>	<u>16,314</u>	<u>72,062</u>

5. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 May 2016	<u>50</u>
At 30 April 2017	<u>50</u>
Net book value	
At 30 April 2017	<u>50</u>
At 30 April 2016	<u>50</u>

ONTRACK INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

6. DEBTORS

	2017 £	2016 £
Trade debtors	450,673	304,361
Amounts owed by group undertakings	41,354	65,701
Other debtors	-	994
Prepayments and accrued income	76,301	122,030
Deferred taxation	-	3,606
	<u>568,328</u>	<u>496,692</u>

7. CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	<u>315,271</u>	<u>625,391</u>

8. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	126,246	109,305
Corporation tax	-	3,796
Other taxation and social security	83,661	86,552
Other creditors	9,880	994
Accruals and deferred income	100,710	171,641
	<u>320,497</u>	<u>372,288</u>

9. DEFERRED TAXATION

	2017 £
At beginning of year	3,606
Charged to profit or loss	<u>(3,606)</u>

ONTRACK INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

10. SHARE CAPITAL

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
10,374 (2016 - 10,400) Ordinary shares of £0.01 each	104	104

11. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. Contributions for the year amounted to £41,429 (2016 - £45,117). At the balance sheet date the Company owed £9,880 (2016 - £NIL).

12. COMMITMENTS UNDER OPERATING LEASES

At 30 April 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Land and Buildings		
Not later than 1 year	31,000	31,000
Between 1 and 5 years	20,667	51,667
	<u>51,667</u>	<u>82,667</u>
	2017 £	2016 £
Other		
Not later than 1 year	26,083	22,282
Between 1 and 5 years	19,040	37,377
	<u>45,123</u>	<u>59,659</u>

13. RELATED PARTY TRANSACTIONS

During the year the Company paid business premises rentals of £31,000 (2016 - £31,000), to OnTrack International Limited SSAS Retirement Benefit Scheme, a scheme of which P E and R H Bailey are beneficiaries.

During the year the Company paid dividends totalling £107,575 (2016 - £52,339), to P E Bailey, R H Bailey and K D Johnson, the Directors of the Company.

The Company has taken advantage of the exemption from the requirement to disclose transactions with wholly owned group companies.

ONTRACK INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

14. CONTROLLING PARTY

The ultimate controlling parties are R H and P E Bailey.

15. FIRST TIME ADOPTION OF FRS 102

The policies applied under the Company's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

16. AUDITORS' INFORMATION

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the Audit Report was Gary Miller FCA who signed for and on behalf of Price Bailey LLP, Statutory Auditor.