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Registered number: 02017435

ROAD TECH COMPUTER SYSTEMS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

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ROAD TECH COMPUTER SYSTEMS LIMITED

COMPANY INFORMATION

Directors	D A Beevor P A Barrett (appointed 7 December 2017) B Beevor (appointed 7 December 2017) B S Clewett (appointed 7 December 2017) D A Cole (appointed 7 December 2017) D A Dooling (appointed 7 December 2017) T P Jeffree (appointed 7 December 2017) P D Thornhill (appointed 7 December 2017)
Company secretary	B Beevor
Registered number	02017435
Registered office	Radius House 51 Clarendon Road Watford Hertfordshire WD17 1HP
Independent auditors	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor Radius House 51 Clarendon Road Watford Hertfordshire WD17 1HP

ROAD TECH COMPUTER SYSTEMS LIMITED

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ROAD TECH COMPUTER SYSTEMS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2018

Introduction

The Director presents their Strategic Report for the year ended 30 April 2018.

Business review

Road Tech has had another year of strong performance, with continued growth in terms of customers, turnover and profits.

Turnover for the year amounted to £11,065k which was an increase of £553k on the prior year. Operating profit amounted to £5,219k an increase of £353k on the prior year. The net assets of the Group at the year-end are £5,145k a decrease increase of £12,374k on the prior year as a result of the payment of a £16,560k dividend during the year.

We have continued to invest in people, recruiting in the Development Team, Financial Team and Customer Services.

The Development Teams' R&D in new technologies has proved valuable, driving efficiencies and enhancing our products and software development processes.

With the expansion of the Financial Team we are able to drive effectiveness and accuracy using procedural best practice.

With extra capacity in our Customer Service Team we have been able to provide more internal product training increasing staff knowledge and capability which in turn has increased positive customer engagement.

Our market is changing rapidly with technology, and we continue to invest in R&D of new technologies to keep us at the forefront of innovation.

Principal risks and uncertainties

The Director believes that the following are the principal risks and uncertainties facing the business:

Cyber security - We are investing heavily again this year in terms of protection, training and continual improvement to create a robust defence against attacks.

GDPR - Is a good opportunity to review our data handling procedures and implement necessary contractual and procedural changes.

Brexit - Has generated some uncertainty in the market, but we remain positive.

Financial key performance indicators

We are investing to increase the diversity of our revenue streams, and strengthen our market share in our industry. Our performance over the past year has been strong.

The key performance indicators for the Group are Operating Profit and cash generated from operating activities. For the year ended 30 April 2018 operating profits have increased year on year, cash generated from operating activities has increase by £708k to £4,407k.

Other key performance indicators

We have a strong portfolio of software solutions, and a good spread of customers across the products, which gives us a robust and diverse set of revenue streams. We continue to see growth in all key areas.

ROAD TECH COMPUTER SYSTEMS LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2018

This report was approved by the board on

22 Jan '19

and signed on its behalf.

D A Cole
Director



ROAD TECH COMPUTER SYSTEMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2018

The directors present their report and the financial statements for the year ended 30 April 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £4,186,005 (2017 - £4,961,783).

During the year dividends of £16,560,000 (2017: £nil) have been paid.

Directors

The directors who served during the year were:

D A Beavor
P A Barrett (appointed 7 December 2017)
B Beavor (appointed 7 December 2017)
B S Clewett (appointed 7 December 2017)
D A Cole (appointed 7 December 2017)
D A Dooling (appointed 7 December 2017)
T P Jeffree (appointed 7 December 2017)
P D Thornhill (appointed 7 December 2017)

ROAD TECH COMPUTER SYSTEMS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2018**

Future developments

We continue to focus on customer service and research and development of software and technology solutions for the Transport Sector, providing robust solutions driven by customer requirements that drive efficiencies, and give value for money.

Research and development in mobile development and IoT solutions is key in our sector, we will continue to invest in research and development in these technologies.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 Jan'19 and signed on its behalf.

D A Cole
Director



ROAD TECH COMPUTER SYSTEMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROAD TECH COMPUTER SYSTEMS LIMITED

Opinion

We have audited the financial statements of Road Tech Computer Systems Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2018, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 April 2018 and of the Group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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 Group's or the parent 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.

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 Auditors' 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

ROAD TECH COMPUTER SYSTEMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROAD TECH COMPUTER SYSTEMS LIMITED (CONTINUED)

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.

Opinion 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

ROAD TECH COMPUTER SYSTEMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ROAD TECH COMPUTER SYSTEMS LIMITED (CONTINUED)

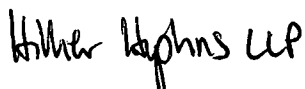
Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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 Auditors' 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 Auditors' 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.



Simon Speller (FCA) (Senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Hertfordshire
WD17 1HP

Date: 23 January 2014

ROAD TECH COMPUTER SYSTEMS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2018**

	Note	2018 £	2017 £
Turnover	3	11,064,704	10,512,260
Cost of sales		(1,081,412)	(1,026,943)
Gross profit		9,983,292	9,485,317
Administrative expenses		(4,764,101)	(4,619,198)
Operating profit	4	5,219,191	4,866,119
Income from fixed assets investments		312,961	857,312
Interest receivable and similar income	9	3,293	5,926
Interest payable and expenses	10	(13,359)	-
Profit before taxation		5,522,086	5,729,357
Tax on profit	11	(1,336,081)	(767,574)
Profit for the financial year		4,186,005	4,961,783
 Total comprehensive income for the year		 4,186,005	 4,961,783
Profit for the year attributable to:			
Owners of the parent Company		4,186,005	4,961,783
		4,186,005	4,961,783

The notes on pages 15 to 30 form part of these financial statements.

ROAD TECH COMPUTER SYSTEMS LIMITED
REGISTERED NUMBER: 02017435

CONSOLIDATED BALANCE SHEET
AS AT 30 APRIL 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	13	156,500	-
Tangible assets	14	298,059	343,756
Investments	15	1,007,400	275,000
Investment property	16	737,092	737,092
		<u>2,199,051</u>	<u>1,355,848</u>
Current assets			
Stocks	17	105,808	89,266
Debtors: amounts falling due within one year	18	1,928,548	1,832,815
Cash at bank and in hand	19	4,117,328	16,573,346
		<u>6,151,684</u>	<u>18,495,427</u>
Creditors: amounts falling due within one year	20	(3,205,499)	(2,332,044)
Net current assets		<u>2,946,185</u>	<u>16,163,383</u>
Total assets less current liabilities		<u>5,145,236</u>	<u>17,519,231</u>
Provisions for liabilities			
Net assets excluding pension asset		<u>5,145,236</u>	<u>17,519,231</u>
Net assets		<u><u>5,145,236</u></u>	<u><u>17,519,231</u></u>
Capital and reserves			
Called up share capital	22	20,000	20,000
Profit and loss account	23	5,125,236	17,499,231
Equity attributable to owners of the parent Company		<u>5,145,236</u>	<u>17,519,231</u>
		<u><u>5,145,236</u></u>	<u><u>17,519,231</u></u>

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

D A Cole
Director



22 Jan '19

The notes on pages 15 to 30 form part of these financial statements.

ROAD TECH COMPUTER SYSTEMS LIMITED
REGISTERED NUMBER: 02017435

COMPANY BALANCE SHEET
AS AT 30 APRIL 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	13	156,500	-
Tangible assets	14	298,059	343,756
Investments	15	1,007,500	275,100
Investment property	16	737,092	737,092
		<u>2,199,151</u>	<u>1,355,948</u>
Current assets			
Stocks	17	105,808	89,266
Debtors: amounts falling due within one year	18	1,928,848	1,891,090
Cash at bank and in hand	19	4,117,328	16,510,611
		<u>6,151,984</u>	<u>18,490,967</u>
Creditors: amounts falling due within one year	20	(3,205,499)	(2,327,684)
Net current assets		<u>2,946,485</u>	<u>16,163,283</u>
Total assets less current liabilities		<u>5,145,636</u>	<u>17,519,231</u>
Net assets excluding pension asset		<u>5,145,636</u>	<u>17,519,231</u>
Net assets		<u>5,145,636</u>	<u>17,519,231</u>
Capital and reserves			
Called up share capital	22	20,000	20,000
Profit and loss account	23	5,125,636	17,499,231
		<u>5,145,636</u>	<u>17,519,231</u>

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

D A Cole
Director



22 Jan '19

The notes on pages 15 to 30 form part of these financial statements.

ROAD TECH COMPUTER SYSTEMS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2018**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 May 2017	20,000	17,499,231	17,519,231	17,519,231
Comprehensive income for the year				
Profit for the year	-	4,186,005	4,186,005	4,186,005
Dividends: Equity capital	-	(16,560,000)	(16,560,000)	(16,560,000)
At 30 April 2018	20,000	5,125,236	5,145,236	5,145,236

The notes on pages 15 to 30 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2017**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 May 2016	20,000	12,537,448	12,557,448	12,557,448
Comprehensive income for the year				
Profit for the year	-	4,961,783	4,961,783	4,961,783
Total comprehensive income for the year	-	4,961,783	4,961,783	4,961,783
At 30 April 2017	20,000	17,499,231	17,519,231	17,519,231

The notes on pages 15 to 30 form part of these financial statements.

ROAD TECH COMPUTER SYSTEMS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2018**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 May 2017	20,000	17,499,231	17,519,231
Comprehensive income for the year			
Profit for the year	-	4,186,405	4,186,405
Contributions by and distributions to owners			
Dividends: Equity capital	-	(16,560,000)	(16,560,000)
At 30 April 2018	<u>20,000</u>	<u>5,125,636</u>	<u>5,145,636</u>

The notes on pages 15 to 30 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 May 2016	20,000	12,537,692	12,557,692
Comprehensive income for the year			
Profit for the year	-	4,961,539	4,961,539
Total comprehensive income for the year	<u>-</u>	<u>4,961,539</u>	<u>4,961,539</u>
At 30 April 2017	<u>20,000</u>	<u>17,499,231</u>	<u>17,519,231</u>

The notes on pages 15 to 30 form part of these financial statements.

ROAD TECH COMPUTER SYSTEMS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 APRIL 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	4,186,005	4,961,783
Adjustments for:		
Depreciation of tangible assets	180,432	171,497
Loss on disposal of tangible assets	(96,476)	(11,959)
Interest paid	13,359	-
Interest received	(316,254)	(863,238)
Taxation charge	1,336,081	767,574
(Increase) in stocks	(16,543)	(22,439)
(Increase) in debtors	(95,733)	(83,341)
(Decrease) in creditors	(863,119)	(517,697)
Increase in amounts owed to groups	1,322,286	-
Corporation tax (paid)	(1,243,188)	(703,057)
Net cash generated from operating activities	4,406,850	3,699,123
Cash flows from investing activities		
Purchase of intangible fixed assets	(156,500)	-
Purchase of tangible fixed assets	(139,046)	(89,366)
Sale of tangible fixed assets	111,911	22,796
Purchase of investment properties	-	(737,092)
Purchase of unlisted and other investments	(732,400)	(275,000)
Interest received	3,293	5,926
Income from investments	312,961	857,312
Net cash from investing activities	(599,781)	(215,424)

ROAD TECH COMPUTER SYSTEMS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2018

	2018 £	2017 £
Cash flows from financing activities		
Other new loans	310,272	-
Dividends paid	(16,560,000)	-
Interest paid	(13,359)	-
	<hr/>	<hr/>
Net cash used in financing activities	(16,263,087)	-
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(12,456,018)	3,483,699
Cash and cash equivalents at beginning of year	16,573,346	13,089,647
	<hr/>	<hr/>
Cash and cash equivalents at the end of year	4,117,328	16,573,346
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,117,328	16,573,346
	<hr/>	<hr/>
	4,117,328	16,573,346
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 15 to 30 form part of these financial statements.

ROAD TECH COMPUTER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

1. General information

Road Tech Computer Systems Limited (the "Company") is incorporated and domiciled in England and Wales.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 May 2016.

ROAD TECH COMPUTER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

2. Accounting policies (continued)

2.3 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 Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group 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

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 Group 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.

ROAD TECH COMPUTER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

2. Accounting policies (continued)

2.5 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Consolidated statement of comprehensive income 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.

2.7 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income 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 Group in independently administered funds.

2.9 Taxation

Tax is recognised in the Consolidated statement of comprehensive income, 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 and the Group operate and generate income.

ROAD TECH COMPUTER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

2. Accounting policies (continued)

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other 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.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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, using the straight-line method.

Depreciation is provided on the following basis:

S/Term Leasehold Property	-	Straight line over 20 years
Plant & machinery	-	25% Straight line
Motor vehicles	-	25% Straight line
Fixtures & fittings	-	25% Straight line

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 Consolidated statement of comprehensive income.

2.12 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated statement of comprehensive income.

ROAD TECH COMPUTER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

2. Accounting policies (continued)

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 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.

2.16 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 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.

2.18 Financial instruments

The Group only enters into basic financial instrument 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.

ROAD TECH COMPUTER SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

2. Accounting policies (continued)

2.19 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.

3. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Sales	11,064,704	10,512,260
	<u>11,064,704</u>	<u>10,512,260</u>

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Exchange differences	(25,979)	7,636
	<u>(25,979)</u>	<u>7,636</u>

5. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	5,000	5,000
Fees payable to the Group's auditor and its associates in respect of:		
All other assurance services	12,070	10,055
	<u>12,070</u>	<u>10,055</u>

ROAD TECH COMPUTER SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

6. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Wages and salaries	3,094,640	2,928,517	3,094,640	2,928,517
Social security costs	352,425	326,573	352,425	326,573
Cost of defined contribution scheme	107,227	102,993	107,227	102,993
	<u>3,554,292</u>	<u>3,358,083</u>	<u>3,554,292</u>	<u>3,358,083</u>

The average monthly number of employees, including the directors, during the year was as follows:

2018 No.	<i>2017 No.</i>
<u>64</u>	<u>64</u>

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL)

7. Directors' remuneration

	2018 £	<i>2017 £</i>
Directors' emoluments	97,350	97,350
	<u>97,350</u>	<u>97,350</u>

8. Income from investments

	2018 £	<i>2017 £</i>
Net gain on investment portfolio	(312,961)	(857,312)
	<u>(312,961)</u>	<u>(857,312)</u>

ROAD TECH COMPUTER SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

9. Interest receivable

	2018 £	2017 £
Other interest receivable	3,293	5,926
	<u>3,293</u>	<u>5,926</u>

10. Interest payable and similar expenses

	2018 £	2017 £
Other interest payable	13,359	-
	<u>13,359</u>	<u>-</u>

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	969,696	722,207
Adjustments in respect of previous periods	366,385	45,367
	<u>1,336,081</u>	<u>767,574</u>
Total current tax	<u>1,336,081</u>	<u>767,574</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>1,336,081</u>	<u>767,574</u>

ROAD TECH COMPUTER SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *lower than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.92%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	5,522,086	5,729,357
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.92%)	1,049,196	1,141,288
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	860
Capital allowances for year in excess of depreciation	(5,120)	5,243
Adjustments to tax charge in respect of prior periods	366,385	45,367
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(74,532)	(420,165)
Changes in provisions leading to an increase (decrease) in the tax charge	152	(5,019)
Total tax charge for the year	1,336,081	767,574

Factors that may affect future tax charges

On 8 July 2015 the Chancellor of the Exchequer announced a reduction in the main rate of UK corporation tax to 19 percent with effect from 1 April 2017 and 18 percent with effect from 1 April 2020. These changes were substantively enacted on 26 October 2015.

12. Dividends

	2018 £	2017 £
Dividends	16,560,000	-
	16,560,000	-

ROAD TECH COMPUTER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018

13. Intangible assets

Group and Company

	Development £	Goodwill £	Total £
Cost			
At 1 May 2017	268,560	-	268,560
Additions	-	156,500	156,500
At 30 April 2018	268,560	156,500	425,060
Amortisation			
At 1 May 2017	268,560	-	268,560
At 30 April 2018	268,560	-	268,560
Net book value			
At 30 April 2018	-	156,500	156,500
At 30 April 2017	-	-	-

ROAD TECH COMPUTER SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

14. Tangible fixed assets

Group and Company

	S/Term Leasehold Property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 May 2017	39,601	485,855	738,114	925,691	2,189,261
Additions	-	30,356	106,941	1,749	139,046
Disposals	-	-	(291,918)	-	(291,918)
At 30 April 2018	<u>39,601</u>	<u>516,211</u>	<u>553,137</u>	<u>927,440</u>	<u>2,036,389</u>
Depreciation					
At 1 May 2017	31,498	458,630	588,644	766,733	1,845,505
Charge for the year on owned assets	624	13,471	113,387	41,826	169,308
Disposals	-	-	(276,483)	-	(276,483)
At 30 April 2018	<u>32,122</u>	<u>472,101</u>	<u>425,548</u>	<u>808,559</u>	<u>1,738,330</u>
Net book value					
At 30 April 2018	<u>7,479</u>	<u>44,110</u>	<u>127,589</u>	<u>118,881</u>	<u>298,059</u>
At 30 April 2017	<u>8,103</u>	<u>27,225</u>	<u>149,470</u>	<u>158,958</u>	<u>343,756</u>

ROAD TECH COMPUTER SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

15. Fixed asset investments

Group

	Unlisted investments £
Cost or valuation	
At 1 May 2017	275,000
Additions	732,400
At 30 April 2018	<u>1,007,400</u>
Net book value	
At 30 April 2018	<u>1,007,400</u>
At 30 April 2017	<u>275,000</u>

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 May 2017	100	275,000	275,100
Additions	-	732,400	732,400
At 30 April 2018	<u>100</u>	<u>1,007,400</u>	<u>1,007,500</u>
Net book value			
At 30 April 2018	<u>100</u>	<u>1,007,400</u>	<u>1,007,500</u>
At 30 April 2017	<u>100</u>	<u>275,000</u>	<u>275,100</u>

ROAD TECH COMPUTER SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

16. Investment property

Group and Company

	Freehold investment property £
Valuation	
At 1 May 2017	737,092
At 30 April 2018	737,092

The 2018 valuations were made by the Directors, on an open market value for existing use basis.

17. Stocks

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Raw materials and consumables	105,808	89,265	105,808	89,265
	105,808	89,265	105,808	89,265

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Debtors

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Trade debtors	1,158,577	1,068,636	1,158,577	1,068,536
Amounts owed by group undertakings	-	-	300	58,374
Other debtors	679,332	678,371	679,332	678,371
Prepayments and accrued income	90,639	85,808	90,639	85,808
	1,928,548	1,832,815	1,928,848	1,891,089

ROAD TECH COMPUTER SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

19. Cash and cash equivalents

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Cash at bank and in hand	4,117,328	16,573,346	4,117,328	16,510,611
	<u>4,117,328</u>	<u>16,573,346</u>	<u>4,117,328</u>	<u>16,510,611</u>

20. Creditors: Amounts falling due within one year

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Other loans	400,106	89,834	400,106	89,834
Trade creditors	141,158	167,289	141,158	167,289
Amounts owed to group undertakings	1,322,286	-	1,322,286	-
Corporation tax	607,661	501,409	607,661	501,409
Other taxation and social security	90,410	629,854	90,410	629,854
Other creditors	57,672	418,782	57,672	414,422
Accruals and deferred income	586,206	524,876	586,206	524,876
	<u>3,205,499</u>	<u>2,332,044</u>	<u>3,205,499</u>	<u>2,327,684</u>

ROAD TECH COMPUTER SYSTEMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2018**

21. Financial instruments

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Financial assets				
Financial assets measured at fair value through profit or loss	5,124,728	<i>16,848,346</i>	5,124,728	<i>16,785,611</i>
Financial assets that are debt instruments measured at amortised cost	1,837,909	<i>1,747,006</i>	1,838,209	<i>1,805,281</i>
	6,962,637	<i>18,595,352</i>	6,962,937	<i>18,590,892</i>
Financial liabilities				
Financial liabilities measured at amortised cost	(2,096,379)	<i>(503,295)</i>	(2,096,379)	<i>(498,935)</i>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents and certain other debtors.

Financial assets that are debt instruments measured at amortised cost comprise trade and certain other debtors.

Financial liabilities measured at amortised cost comprise trade and certain other payables.

22. Share capital

	2018 £	<i>2017 £</i>
Allotted, called up and fully paid		
20,000 (2017 - 20,000) Ordinary shares of £1.00 each	20,000	<i>20,000</i>

23. Reserves

Profit & loss account

The profit and loss account includes all current and prior period retained profit and losses.

ROAD TECH COMPUTER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

24. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £107,227 (2017 - £102,993). Contributions totalling £17,980 (2017 - £16,891) were payable to the fund at the balance sheet date and are included in creditors.

25. Commitments under operating leases

At 30 April 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Not later than 1 year	175,000	168,853	175,000	156,345
	<u>175,000</u>	<u>168,853</u>	<u>175,000</u>	<u>156,345</u>

26. Related party transactions

As at the balance sheet date £72,598 was owed (2017: £318,651 owed to) by D A Beevor, a Director of the Group.

During the year the Group paid rent of £168,853 (2017: £156,345) to Road Tech Pension Scheme, of which D A Beevor is a beneficiary. The Group was owed £566,399 (2017: £531,153) at the balance sheet date.

At the balance sheet date the Group was owed £8,823 (2017: £43,277 owed to) by Paridean Finance Limited, a Company related by virtue of a common Director.

At the balance sheet date the Group owed Trailer Tracking LLP, an entity related by virtue of a common Director, £400,106 (2017: £89,834).

27. Controlling party

The ultimate controlling party is the Road Tech Employee Trust.