

SRT Marine System Solutions Limited

**Directors Report and Accounts
for the year ended**

31 MARCH 2015

TUESDAY



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SRT Marine System Solutions Limited

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SRT Marine System Solutions Limited

DIRECTORS AND ADVISERS

Directors

S Tucker
N Peniket
R Hurd
I Goralski

Secretary

R Hurd

Registered office

Wireless House
First Avenue
Westfield Industrial Estate
Midsomer Norton
Bath
BA3 4BS

Bankers

Barclays Bank Plc
4th Floor, Bridgwater House,
Counterslip, Finzels Reach
Bristol
BS1 6NA

Auditors

Nexia Smith & Williamson Audit Limited
Portwall Place
Portwall Lane
Bristol
BS1 6NA

Tax advisers

Smith & Williamson LLP
Chartered Accountants
Portwall Place
Portwall Lane
Bristol
BS1 6NA

Company's registered number

06820461

SRT Marine System Solutions Limited

STRATEGIC REPORT

The directors present the strategic report for SRT Marine System Solutions Limited for the year ended 31 March 2015.

Principal activity

The principal activity of the company during the year was the development of software and systems for the visualisation in 3D of electronic GIS, chart and map data.

Business review

The directors consider the results of the company to be satisfactory.

Approved by the board of directors and signed on behalf of the board

A handwritten signature in black ink, appearing to be 'R Hurd', written over a horizontal line.

R Hurd
Director

SRT Marine System Solutions Limited

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31 March 2015.

Results for the year and dividends

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

The directors do not recommend payment of an ordinary dividend (2014 - £nil).

Directors

The directors who served the company during the year were as follows:

I R Goralski
S Tucker
N Peniket
R Hurd

Disclosure of information to the auditors

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant audit information of which the company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Auditors

A resolution to appoint the auditors Nexia Smith and Williamson Audit Limited, will be proposed at the next Annual General Meeting.

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

Approved by the board of directors and signed on behalf of the board



R Hurd
Director

SRT Marine System Solutions Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Directors' 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 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 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.

Nexia Smith & Williamson

Independent auditor's report to the shareholders of SRT Marine System Solutions Limited

We have audited the financial statements of SRT Marine System Solutions Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Jonathan Talbot
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Chartered Accountants
Registered Auditors
Portwall Place
Bristol BS1 6NA 8 June 2015

SRT Marine System Solutions Limited**PROFIT AND LOSS ACCOUNT****31 MARCH 2015**

	Note	2015	2014
		£	£
Revenue	2	4,288,490	83,293
Cost of sales		(1,707,907)	(39,149)
Gross profit		2,580,583	44,144
Administrative expenses		(124,428)	(134,623)
Other operating income	3	-	36,200
Operating profit / (loss)	3	2,456,155	(54,279)
Interest payable and similar charges		-	(8,201)
Profit / (Loss) on ordinary activities before taxation		2,456,155	(62,480)
Taxation (charge)/ credit	6	(121,447)	10,327
Profit / (Loss) for the financial year		2,334,708	(52,153)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 9-15 form part of these financial statements.

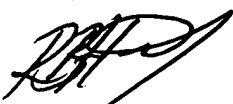
SRT Marine System Solutions Limited

BALANCE SHEET

31 MARCH 2015

	Note	2015	2014
		£	£
FIXED ASSETS			
Tangible assets	8	47,909	53,404
Intangible assets	7	559,327	365,399
		607,236	418,803
CURRENT ASSETS			
Debtors	9	2,144,873	27,071
Stock	11	5,466	-
Cash at bank		20,260	55,349
		2,170,599	82,420
CREDITORS: Amounts falling due within one year	10	(70,173)	(249,716)
NET CURRENT ASSETS / (LIABILITIES)		2,100,426	(167,296)
CREDITORS: Amounts falling due after more than one year			
Provisions for liabilities and charges	6	(121,447)	-
TOTAL ASSETS LESS CURRENT LIABILITIES		2,586,215	251,507
		2,586,215	251,507
SHAREHOLDERS' FUNDS			
Called-up share capital	13	25,848	25,848
Share premium account	14	388,217	388,217
Profit and loss account	15	2,172,150	(162,558)
TOTAL SHAREHOLDERS' FUNDS		2,586,215	251,507

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities. The accounts were approved and authorised for issue by the Board of Directors on 8 June 2015 and were signed on its behalf by:



R Hurd
Director

Company Registration Number: 06820461

The notes on pages 9-15 form part of these financial statements.

SRT Marine System Solutions Limited

Notes to the Financial Statements

Year ended 31 March 2015

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes. Sales of goods are recognised when title has passed.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery - 25% reducing balance basis

Deferred taxation

Deferred tax is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. Any assets and liabilities recognised have not been discounted.

Research and development expenditure

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the Company is expected to benefit, currently considered to be five years.

Development expenditure capitalised represents time spent by company employees, sub-contractor costs and any other directly attributable costs incurred in creating the asset for the purposes intended by management, valued at cost.

This represents a change in accounting policy from the previous year when all research and development expenditure was expensed in the period. The reasons for this change and the financial impact are given in note 2 below.

Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currency are translated at the rate ruling at that date. All exchange differences are dealt with in the profit and loss account.

SRT Marine System Solutions Limited

Notes to the Financial Statements

Year ended 31 March 2015

2. TURNOVER

During the year ended 31 March 2015 and 2014 revenue was earned from the geographical locations:

	2015 £	2014 £
Europe	217,983	53,754
North America	35,130	-
UK	32,217	1,000
Middle East	3,704,613	-
Other	<u>298,547</u>	<u>28,539</u>
Total	<u>4,288,490</u>	<u>83,293</u>

3. OPERATING PROFIT / (LOSS)

Operating profit / (loss) is stated after (crediting) / charging:

	2015 £	2014 £
Auditors' remuneration	2,000	2,000
Depreciation of owned fixed assets	14,539	5,767
Income from grants	-	(36,200)
Amortisation	51,831	-

4. DIRECTORS' EMOLUMENTS

	2015 £	2014 £
Emoluments for qualifying services	84,000	54,655
Company pension contributions to money purchase scheme	2,182	708

Directors' remuneration includes recharges from Software Radio Technology plc.

SRT Marine System Solutions Limited

Notes to the Financial Statements

Year ended 31 March 2015

5. EMPLOYEES

The average monthly number of employees during the year was:

	2015 Number	2014 Number
Engineering	5	3

Employment costs:

	2015 £	2014 £
Wages and salaries	44,412	23,185
Social security costs	3,999	2,406
Other pension costs	<u>929</u>	<u>662</u>
Total	<u>49,340</u>	<u>26,253</u>

Total wages and salaries, as stated above, exclude costs capitalised and included within deferred development expenditure amounting to £216,048 (£106,517).

6. TAXATION

	2015 £	2014 £
The tax (charge) / credit comprises:		
Current tax	-	10,327
Deferred tax	(121,447)	-

Factors affecting current tax charge for the period:

Profit / (loss) on ordinary activities before taxation		
multiplied by UK corporation tax rate of 21% (2014: 23%)	515,792	(14,370)
Effects of:		
Capital allowances in excess of depreciation	(39,571)	(26,222)
(Utilised) /Unrelieved tax losses and other deductions arising	(131,129)	67,987
Group relief	(345,092)	-
Additional uplift for R&D	-	(17,068)
Current tax (charge) / credit	-	10,327

The company had no carried forward losses as at 31 March 2015 (2014: £624,425).

As at March 31, 2015 the company had a deferred tax liability of £121,447 (2014: £nil) in respect of timing differences relating to its intangible and tangible assets.

SRT Marine System Solutions Limited

Notes to the Financial Statements

Year ended 31 March 2015

7. INTANGIBLE ASSETS

	£ Development Costs
COST:	
As at 1 April 2013	238,314
Additions	<u>127,085</u>
At 31 March 2014	365,399
Additions	<u>245,759</u>
At 31 March 2015	<u>611,158</u>
AMORTISATION:	
As at 1 April 2013 and 2014	-
Charge for the year	<u>51,831</u>
At 31 March 2015	<u>51,831</u>
NET BOOK VALUE:	£
At 31 March 2015	559,327
At 31 March 2014	365,399

8. TANGIBLE FIXED ASSETS

	Plant & Machinery £
COST:	
As at 1 April 2013	22,443
Additions	<u>46,753</u>
At 31 March 2014	69,196
Additions	<u>9,044</u>
As at 31 March 2015	<u>78,240</u>

SRT Marine System Solutions Limited

Notes to the Financial Statements

Year ended 31 March 2015

TANGIBLE FIXED ASSETS (continued)

DEPRECIATION

At 1 April 2013	10,025
Charge for the year	<u>5,767</u>
At 31 March 2014	15,792
Charge for the year	<u>14,539</u>
At 31 March 2015	<u>30,331</u>
NET BOOK VALUE	
At 31 March 2015	47,909
At 31 March 2014	53,404

9. DEBTORS

	2015	2014
	£	£
Trade debtors	50,961	-
Amounts owed by group undertakings	2,047,954	-
Other debtors	2,617	9,567
Prepayments and accrued income	43,341	17,504
	<u>2,144,873</u>	<u>27,071</u>

10. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	33,364	24,125
Other taxation and social security	6,711	5,031
Amounts owed to group undertakings	-	171,935
Other creditors	30,098	48,625
	<u>70,173</u>	<u>249,716</u>

SRT Marine System Solutions Limited

Notes to the Financial Statements

Year ended 31 March 2015

11. STOCK

	2015	2014
	£	£
Raw materials and consumables	<u>5,466</u>	<u>-</u>

12. RELATED PARTY TRANSACTIONS

Consultancy services were provided by several former directors of the company during the previous financial year. No services were provided during the current year.

During the year ended 31 March, 2014 payments were made to a number of former directors - Mr A MacDonald provided consultancy services of £15,574 Mr D Hampson an amount of £18,200 and Ms C Bell £1,848. In addition, consultancy fees were paid to a shareholder, Finance Wales, amounting to £11,749.

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that the consolidated accounts are prepared by the ultimate parent company.

13. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
1,033 Ordinary shares of £0.10 each	1,033	103	1,033	103
745 Preference shares of £1 each	745	745	745	745
25,000 B Ordinary shares of £1 each	25,000	25,000	25,000	25,000
	<u>26,778</u>	<u>25,848</u>	<u>26,778</u>	<u>25,848</u>

14. SHARE PREMIUM ACCOUNT

There were no movements in the share premium account during the year ended 31 March 2015.

During the year ended 31 March 2014, the exercise of share options by a former director, Douglas Hampson, resulted in an additional share premium balance of £16,497. In addition, the conversion of the loan resulted in a further increase to the share premium account of £122,220.

SRT Marine System Solutions Limited

Notes to the Financial Statements

Year ended 31 March 2015

15. STATEMENT OF MOVEMENT IN PROFIT AND LOSS ACCOUNT

	2015	2014
	£	£
Opening balance brought forward	(162,558)	(110,405)
Profit / (loss) for the year	2,334,708	(52,153)
Closing balance carried forward	<u>2,172,150</u>	<u>(162,558)</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015	2014
	£	£
Profit / (loss) for the year	2,334,708	(52,153)
Conversion of director loans to Ordinary B shares	-	25,000
Conversion of loan to preference shares	-	122,465
Exercise of share options	-	16,500
Opening shareholders' funds	251,507	139,695
Closing shareholders' funds	<u>2,586,215</u>	<u>251,507</u>

17. OPERATING LEASE COMMITMENTS

At 31 March 2015, the Company had aggregate annual commitments under non-cancellable operating leases as set out below:

	2015	2014
	£	£
Land and buildings:		
Due:		
Within two to five years	11,453	-

18. CONTROL

The ultimate parent company is Software Radio Technology plc by virtue of its 100% shareholding in the company. Consolidated accounts are prepared by Software Radio Technology plc and are available from the Registrar of Companies.

19. DEED OF GUARANTEE AND DEBENTURE

A deed of cross guarantee and debenture exists between the company and all other companies within the Software Radio Technology plc group. This relates to the parent's bank borrowing facility.