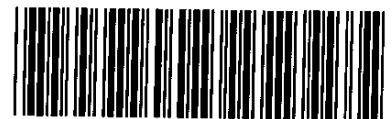


Company Registration No. 11046832 (England and Wales)

**CREATIVE CAR PARK HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED**  
**31 MARCH 2018**

|   |
|---|
| PARENT OF: CIVIL ENFORCEMENT LIMITED<br>see NOTE 14 PAGE 23 |
|---|

WEDNESDAY



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COMPANIES HOUSE

# CREATIVE CAR PARK HOLDINGS LIMITED

## COMPANY INFORMATION

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|                          |   |
|--------------------------|---|
| <b>Directors</b>         | S Abraham<br>G Wayne<br>M Ali<br>M K O'Donnell  |
| <b>Company number</b>    | 11046832  |
| <b>Registered office</b> | The Studio, St. Nicholas Close<br>Elstree<br>Borehamwood<br>Hertfordshire<br>WD6 3EW                      |
| <b>Auditor</b>           | RSM UK Audit LLP<br>Chartered Accountants<br>25 Farringdon Street<br>London<br>EC4A 4AB<br>United Kingdom |

# CREATIVE CAR PARK HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE PERIOD ENDED 31 MARCH 2018

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The directors present the strategic report for the period ended 31 March 2018.

#### Review of the business

The company began trading on acquisition of its subsidiaries on 7 December 2017.

The consolidated statement of comprehensive income on page 6 shows the group's turnover of £3.78m and loss before taxation of £1.30m, for the period ended 31 March 2018. This is stated after a goodwill amortisation charge of £2.15m and interest on loans of £0.58m.

The consolidated statement of financial position on page 7 shows net assets of £35.22m for the group at the period end. This includes goodwill of £46.76m (note 11) which arose out of the acquisition on 7 December 2017. The group has loan balances of £14.28m (note 19), which was taken to finance the acquisition of the subsidiaries and resulted in the interest payable for the period noted above.

#### Key performance indicators

In addition to the key performance indicators of revenues and operating profits and losses noted above, the directors also review EBITDA (earnings before interest, tax, depreciation and amortisation) which is as follows:

|                               | 2018<br>£'000 |
|-------------------------------|---------------|
| Operating loss for the period | (725)         |
| Amortisation and depreciation | 2,328         |
| EBITDA for the period         | 1,603         |

Following the acquisition of the subsidiaries, the EBITDA has been in line with management's expectations.

#### Principal risks and uncertainties

The principal risks considered by the directors are noted below:

##### *Changes in legislation:*

The group has built good relationships with regulatory bodies and ensures that high standards are maintained in its compliance requirements.

##### *Competition:*

Car park management services is a competitive market and the group ensures it maintains strong relationships with its customers and ensures there are resources to continue to increase market share.

##### *Debt covenant:*

The debt covenant reporting and operating requirements, are kept under continuous review by the directors.

#### Future developments

The directors expect the business to continue to grow in the forthcoming year, in a competitive market.

On behalf of the board



S. Abraham

Director

Date: 21/8/2018

# CREATIVE CAR PARK HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 31 MARCH 2018

---

The directors present their annual report and financial statements for the period ended 31 March 2018.

#### Principal activities

The company was incorporated on 3 November 2017 and the subsidiaries were acquired on 7 December 2017. The consolidated period of accounts runs from 3 November 2017 to 31 March 2018. The company began trading on acquisition of its subsidiaries on 7 December 2017.

The principal activity of the company is that of a holding company. The principal activity of the group is that of car park management services.

#### Directors

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

|               |                              |
|---------------|------------------------------|
| S Abraham     | (Appointed 3 November 2017)  |
| G Wayne       | (Appointed 3 November 2017)  |
| M Ali         | (Appointed 22 December 2017) |
| M K O'Donnell | (Appointed 22 December 2017) |

#### Results and dividends

The results for the period are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Qualifying third party indemnity provisions

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

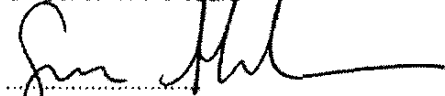
#### Auditor

RSM UK Audit LLP were appointed as auditor to the group during the period and have indicated their willingness to be reappointed for another term. In accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### 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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



S. Abraham  
Director



M Ali  
Director

Date: 21/8/2018

# **CREATIVE CAR PARK HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE PERIOD ENDED 31 MARCH 2018**

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The directors are responsible for preparing the Strategic Report, 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 group and company, 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 and then apply them consistently;
- make judgements 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 and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATIVE CAR PARK HOLDINGS LIMITED**

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### **Opinion**

We have audited the financial statements of Creative Car Park Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 FRS 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 the parent company's affairs as at 31 March 2018 and of the group's loss for the period 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 group and parent 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 our audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREATIVE CAR PARK HOLDINGS LIMITED (CONTINUED)

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### 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 set out 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.

### 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Hough (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

United Kingdom

22 August 2018

# CREATIVE CAR PARK HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2018

|   | Notes | Period<br>ended<br>31 March<br>2018<br>£ |
|---|-------|--|
| Turnover  | 3     | 3,778,764                                |
| Cost of sales   |       | (1,196,177)                              |
| <b>Gross profit</b>   |       | <b>2,582,587</b>                         |
| Administrative expenses                                       |       | (1,154,700)                              |
| Amortisation  |       | (2,153,297)                              |
| <b>Operating loss</b>   | 7     | <b>(725,410)</b>                         |
| Interest payable and similar expenses                         | 9     | (575,260)                                |
| <b>Loss before taxation</b>                                   |       | <b>(1,300,670)</b>                       |
| Tax on loss   | 10    | (23,423)                                 |
| <b>Loss for the financial period</b>                          |       | <b>(1,324,093)</b>                       |
| (Loss)/profit for the financial period is attributable to:    |       |  |
| - Owners of the parent company                                |       | (1,634,182)                              |
| - Non-controlling interests                                   |       | 310,089                                  |
|   |       | <b>(1,324,093)</b>                       |
| Total comprehensive income for the period is attributable to: |       |  |
| - Owners of the parent company                                |       | (1,634,182)                              |
| - Non-controlling interests                                   |       | 310,089                                  |
|   |       | <b>(1,324,093)</b>                       |

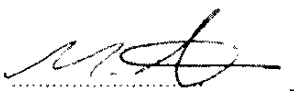


**CREATIVE CAR PARK HOLDINGS LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018**

|  | Notes | 2018<br>£    | £ |
|--|-------|--------------|---|
| <b>Fixed assets</b>  |       |              |   |
| Goodwill   | 11    | 46,762,410   |   |
| Other intangible assets  | 11    | 3,515,200    |   |
| Total intangible assets  |       | 50,277,610   |   |
| Tangible assets  | 12    | 1,675,183    |   |
|  |       | 51,952,793   |   |
| <b>Current assets</b>  |       |              |   |
| Debtors  | 16    | 2,108,724    |   |
| Cash at bank and in hand                                       |       | 3,154,259    |   |
|  |       | 5,262,983    |   |
| <b>Creditors: amounts falling due within one year</b>          | 17    | (4,407,056)  |   |
| <b>Net current assets</b>                                      |       | 855,927      |   |
| <b>Total assets less current liabilities</b>                   |       | 52,808,720   |   |
| <b>Creditors: amounts falling due after more than one year</b> | 18    | (16,957,731) |   |
| <b>Provisions for liabilities</b>                              | 22    | (630,106)    |   |
| <b>Net assets</b>  |       | 35,220,883   |   |
| <b>Capital and reserves</b>                                    |       |              |   |
| Called up share capital  | 24    | 52,104       |   |
| Share premium account  | 25    | 35,497,342   |   |
| Profit and loss reserves                                       | 25    | (1,634,182)  |   |
| <b>Equity attributable to owners of the parent company</b>     |       | 33,915,264   |   |
| <b>Non-controlling interests</b>                               |       | 1,305,619    |   |
|  |       | 35,220,883   |   |

The financial statements were approved by the board of directors and authorised for issue on 21/8/2018 and are signed on its behalf by:

  
S. Abraham  
Director

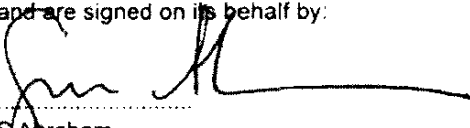
  
M. Ali  
Director


**CREATIVE CAR PARK HOLDINGS LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018**

|  | Notes | 2018<br>£   | £          |
|--|-------|-------------|------------|
| <b>Fixed assets</b>  |       |             |            |
| Investments  | 13    |             | 33,418,304 |
| <b>Current assets</b>  |       |             |            |
| Debtors  | 16    | 4,389,697   |            |
| <b>Creditors: amounts falling due within one year</b>          | 17    | (97,052)    |            |
| <b>Net current assets</b>                                      |       |             | 4,292,645  |
| <b>Total assets less current liabilities</b>                   |       |             | 37,710,949 |
| <b>Creditors: amounts falling due after more than one year</b> | 18    | (2,278,000) |            |
| <b>Net assets</b>  |       |             | 35,432,949 |
| <b>Capital and reserves</b>                                    |       |             |            |
| Called up share capital  | 24    |             | 52,104     |
| Share premium account  | 25    |             | 35,497,342 |
| Profit and loss reserves                                       | 25    |             | (116,497)  |
| <b>Total equity</b>  |       |             | 35,432,949 |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss and total comprehensive income for the period was £116,497.

The financial statements were approved by the board of directors and authorised for issue on 21/8/2018 and are signed on its behalf by:

  
S Abraham  
Director

  
M Ali  
Director

**CREATIVE CAR PARK HOLDINGS LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 MARCH 2018**

|   | Notes | Share capital<br>£ | Share premium<br>account<br>£ | Profit and<br>loss<br>reserves<br>£ | Total<br>controlling<br>interest<br>£ | Non-<br>controlling<br>interest<br>£ | Total<br>£        |
|---|-------|--------------------|-------------------------------|-------------------------------------|---------------------------------------|--------------------------------------|-------------------|
| <b>Period ended 31 March 2018:</b>                                |       |                    |                               |                                     |                                       |                                      |                   |
| Loss and total comprehensive income for the period                |       | -                  | -                             | (1,634,182)                         | (1,634,182)                           | 310,089                              | (1,324,093)       |
| Issue of share capital  | 24    | 52,104             | 35,497,342                    | -                                   | 35,549,446                            | -                                    | 35,549,446        |
| Non-controlling interest on acquisition of subsidiaries (note 15) |       | -                  | -                             | -                                   | -                                     | 995,530                              | 995,530           |
| <b>Balance at 31 March 2018</b>                                   |       | <b>52,104</b>      | <b>35,497,342</b>             | <b>(1,634,182)</b>                  | <b>33,915,264</b>                     | <b>1,305,619</b>                     | <b>35,220,883</b> |

# CREATIVE CAR PARK HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2018

|  | Notes | Share capital<br>£ | Share premium account<br>£ | Profit and loss reserves<br>£ | Total<br>£        |
|--|-------|--------------------|----------------------------|-------------------------------|-------------------|
| <b>Period ended 31 March 2018:</b>                 |       |                    |                            |                               |                   |
| Loss and total comprehensive income for the period |       | -                  | -                          | (116,497)                     | (116,497)         |
| Issue of share capital                             | 24    | 52,104             | 35,497,342                 | -                             | 35,549,446        |
| <b>Balance at 31 March 2018</b>                    |       | <b>52,104</b>      | <b>35,497,342</b>          | <b>(116,497)</b>              | <b>35,432,949</b> |

# CREATIVE CAR PARK HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2018

|   | Notes | 2018<br>£    | £ |
|---|-------|--------------|---|
| <b>Cash flows from operating activities</b>                   |       |              |   |
| Cash generated from/(absorbed by) operations                  | 26    | 945,573      |   |
| Interest paid   |       | (575,260)    |   |
| Income taxes paid   |       | (15,215)     |   |
| <b>Net cash inflow/(outflow) from operating activities</b>    |       | 355,098      |   |
| <b>Investing activities</b>                                   |       |              |   |
| Acquisition of subsidiaries net of cash acquired              |       | (13,137,201) |   |
| Purchase of tangible fixed assets                             |       | (398,084)    |   |
| <b>Net cash used in investing activities</b>                  |       | (13,535,285) |   |
| <b>Financing activities</b>                                   |       |              |   |
| Proceeds from issue of shares                                 |       | 2,146,580    |   |
| Proceeds from borrowings                                      |       | 14,278,000   |   |
| Payment of finance leases obligations                         |       | (90,134)     |   |
| <b>Net cash generated from/(used in) financing activities</b> |       | 16,334,446   |   |
| <b>Net increase in cash and cash equivalents</b>              |       | 3,154,259    |   |
| Cash and cash equivalents at beginning of period              |       | -            |   |
| <b>Cash and cash equivalents at end of period</b>             |       | 3,154,259    |   |

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

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### 1 Accounting policies

#### Company information

Creative Car Park Holdings Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is The Studio, St. Nicholas Close, Elstree, Borehamwood, Hertfordshire, WD6 3EW.

The group consists of Creative Car Park Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008. The group has elected to early-adopt the provisions of FRED 67, the Financial Reporting Council's 2017 Triennial Review of FRS 102.

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 £.

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

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are included within these financial statements of Creative Car Park Holdings Limited.

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 MARCH 2018

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#### 1 Accounting policies (Continued)

##### **Basis of consolidation**

The consolidated financial statements incorporate those of Creative Car Park Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2018. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

##### **Reporting period**

The group presents financial statements from incorporation, 3 November 2017, to 31 March 2018. The period is shorter than a year so that the consolidated financial statements can be aligned with the year end of the financial statements of its subsidiaries.

##### **Turnover**

Turnover is recognised at the fair value of the estimated consideration receivable for parking notices issued and services rendered and is shown net of VAT.

Estimated consideration receivable represents the expected receipts after estimating early settlement discounts and uncollected notices. Expected receipts uses historic collection rates to estimate cash inflows from the date the parking notice is issued. Accrued income is recorded in the financial statements for outstanding parking notices at the reporting date at the expected collection rate.

##### **Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

##### **Intangible fixed assets other than goodwill**

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

---

### 1 Accounting policies (Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                           |                               |
|---------------------------|-------------------------------|
| Contractual relationships | 30 months straight line basis |
|---------------------------|-------------------------------|

#### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

|                                |                       |
|--------------------------------|-----------------------|
| Fixtures, fittings & equipment | 5 years straight line |
| Computer equipment             | 5 years straight line |

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **Fixed asset investments**

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **Impairment of fixed assets**

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.



# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 MARCH 2018

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#### 1 Accounting policies (Continued)

##### **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other debtors, accrued income and amounts owed by group companies, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, accruals, loans and amounts owed to fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

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### 1 Accounting policies (Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

#### **Equity instruments**

Equity instruments issued by the group are recorded at the fair value of the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

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### 1 Accounting policies (Continued)

#### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### Share-based payments

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the period.

#### Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

### 2 Judgements and key sources of estimation uncertainty (Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Accrued income on Parking Charge Notices

Accrued income is calculated by estimating future inflows on parking notices issued with reference to historic collection rates on previously issued notices.

#### Impairment of goodwill and intangible assets

The group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

#### Fair value of intangible assets

The group estimates the value of intangible assets acquired in an acquisition using a valuation multiple. This assessment considers the estimated future income generated by the acquired asset and discounts this back to the present value.

### 3 Turnover and other revenue

All turnover is attributable to the principal activity of the group and arises solely in the UK.

### 4 Employees

The average monthly number of persons (including directors) employed during the period was:

|                | Group<br>2018<br>Number | Company<br>2018<br>Number |
|----------------|-------------------------|---------------------------|
| Management     | 4                       | -                         |
| Administration | 62                      | -                         |
|                | 66                      | -                         |

Their aggregate remuneration comprised:

|                       | Group<br>2018<br>£ | Company<br>2018<br>£ |
|-----------------------|--------------------|----------------------|
| Wages and salaries    | 670,003            | -                    |
| Social security costs | 63,985             | -                    |
| Pension costs         | 2,274              | -                    |
|                       | 736,262            | -                    |

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

### 5 Directors' remuneration

|   | 2018<br>£      |
|---|----------------|
| Remuneration for qualifying services                          | 114,648        |
| Company pension contributions to defined contribution schemes | 195            |
|   | <u>114,843</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2.

### 6 Share-based payment transactions

|                                | Number of<br>share options<br>2018<br>Number | Weighted<br>average<br>exercise price<br>2018<br>£ |
|--------------------------------|--|--|
| Outstanding at 3 November 2017 | -  | -  |
| Granted                        | 1,271  | 13.20  |
| Outstanding at 31 March 2018   | 1,271  | 13.20  |
| Exercisable at 31 March 2018   | -  | -  |

The share options were granted on 23 March 2018. The options must be vested within 10 years from the grant date, and they can only be vested in the event of an exit.

Given the proximity of the grant to the reporting date, and that the timing or likelihood of an exit is currently uncertain, their fair value is considered to be immaterial and therefore no share based payment expense has been recognised during the period.

### 7 Operating loss

|   | 2018<br>£      |
|---|----------------|
| Operating loss for the period is stated after charging:         |                |
| Depreciation of owned tangible fixed assets                     | 91,185         |
| Depreciation of tangible fixed assets held under finance leases | 83,630         |
| Amortisation of intangible assets                               | 2,153,297      |
| Operating lease charges   | <u>169,433</u> |

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

### 8 Auditor's remuneration

|  | 2018<br>£ |
|--|-----------|
| Fees payable to the company's auditor and its associates:  |           |
| For audit services   |           |
| Audit of the financial statements of the group and company | 37,500    |

### 9 Interest payable and similar expenses

|  | 2018<br>£ |
|--|-----------|
| Interest on bank loans                                 | 386,590   |
| Interest on other loans                                | 79,682    |
| Interest on finance leases and hire purchase contracts | 108,988   |
| Total finance costs                                    | 575,260   |

### 10 Taxation

|  | 2018<br>£ |
|--|-----------|
| <b>Current tax</b>                                   |           |
| UK corporation tax on profits for the current period | 156,562   |
| Adjustments in respect of prior periods              | (57,293)  |
| Total current tax                                    | 99,269    |
| <b>Deferred tax</b>                                  |           |
| Origination and reversal of timing differences       | (75,846)  |
| Total tax charge for the period                      | 23,423    |

The total tax charge for the period included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

|   | 2018<br>£   |
|---|-------------|
| Loss before taxation  | (1,300,670) |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% | (247,127)   |
| Tax effect of expenses that are not deductible in determining taxable profit          | 309,040     |
| Adjustments in respect of prior years   | (57,293)    |
| Effect of change in corporation tax rate  | 18,803      |
| Taxation charge for the period  | 23,423      |

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

### 11 Intangible fixed assets

| Group                               | Goodwill<br>£ | Contractual<br>relationships<br>£ | Total<br>£ |
|-------------------------------------|---------------|-----------------------------------|------------|
| <b>Cost</b>                         |               |                                   |            |
| Additions - business combinations   | 48,374,907    | 4,056,000                         | 52,430,907 |
| At 31 March 2018                    | 48,374,907    | 4,056,000                         | 52,430,907 |
| <b>Amortisation and impairment</b>  |               |                                   |            |
| Amortisation charged for the period | 1,612,497     | 540,800                           | 2,153,297  |
| At 31 March 2018                    | 1,612,497     | 540,800                           | 2,153,297  |
| <b>Carrying amount</b>              |               |                                   |            |
| At 31 March 2018                    | 46,762,410    | 3,515,200                         | 50,277,610 |

The company had no intangible fixed assets at 31 March 2018.

The amortisation charge for the period is included within administrative expenses.

### 12 Tangible fixed assets

| Group                              | Fixtures,<br>fittings &<br>equipment<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|------------------------------------|---|----------------------------|------------|
| <b>Cost</b>                        |   |                            |            |
| Additions                          | 594,080                                   | -                          | 594,080    |
| Business combinations              | 1,226,475                                 | 29,443                     | 1,255,918  |
| At 31 March 2018                   | 1,820,555                                 | 29,443                     | 1,849,998  |
| <b>Depreciation and impairment</b> |   |                            |            |
| Depreciation charged in the period | 167,663                                   | 7,152                      | 174,815    |
| At 31 March 2018                   | 167,663                                   | 7,152                      | 174,815    |
| <b>Carrying amount</b>             |   |                            |            |
| At 31 March 2018                   | 1,652,892                                 | 22,291                     | 1,675,183  |

The company had no tangible fixed assets at 31 March 2018.

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

### 12 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

|  | Group<br>2018<br>£ | Company<br>2018<br>£ |
|--|--------------------|----------------------|
| Fixtures, fittings & equipment                                 | 976,063            | -                    |
| Depreciation charge for the period in respect of leased assets | 83,630             | -                    |

The depreciation charge for the year is included within administrative expenses.

### 13 Fixed asset investments

|                             | Notes | Group<br>2018<br>£ | Company<br>2018<br>£ |
|-----------------------------|-------|--------------------|----------------------|
| Investments in subsidiaries | 14    | -                  | 33,418,304           |

#### Movements in fixed asset investments Company

|                          | Shares in<br>group<br>undertakings<br>£ |
|--------------------------|---|
| <b>Cost or valuation</b> |   |
| At 3 November 2017       | -                                       |
| Additions                | 33,418,304                              |
| At 31 March 2018         | 33,418,304                              |
| <b>Carrying amount</b>   |   |
| At 31 March 2018         | 33,418,304                              |



# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

### 14 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

| Name of undertaking                       | Registered office | Nature of business           | Class of shares held | % Held Direct | Indirect |
|---|-------------------|------------------------------|----------------------|---------------|----------|
| Creative Car Park Bidco Limited           | 1                 | Holding company              | Ordinary             | 100           |          |
| Versatile Parking Limited                 | 1                 | Dormant                      | Ordinary             |               | 75       |
| Civil Enforcement Limited                 | 2                 | Business support services    | Ordinary             |               | 75       |
| Creative Technologies and Systems Limited | 1                 | Holding company              | Ordinary             |               | 75       |
| Star Park Management Limited              | 1                 | Dormant                      | Ordinary             |               | 75       |
| Star Park Management No. 2 Limited        | 1                 | Dormant                      | Ordinary             |               | 75       |
| Park Solve Limited                        | 1                 | Dormant                      | Ordinary             |               | 75       |
| Creative Parking Limited                  | 1                 | Dormant                      | Ordinary             |               | 75       |
| Creative Car Park Limited                 | 1                 | Car park management services | Ordinary             |               | 75       |
| Creative (Contracts) Car Park Limited     | 1                 | Dormant                      | Ordinary             |               | 75       |

1 - The Studio, St Nicholas Close, Elstree, Borehamwood, Hertfordshire, WD6 3EW

2 - Horton House, Exchange Flags, Liverpool, Merseyside, L2 3PF

All investments in subsidiaries are included in this consolidation.

The following subsidiaries are exempt from audit by virtue of section 479A of the Companies Act 2006:

- Creative Car Park Bidco Limited (company registration number 11074716)
- Creative Technologies and Systems Limited (company registration number 07630354)
- Civil Enforcement Limited (company registration number 05645677)
- Creative Car Park Limited (company registration number 05571660)
- Creative Parking Limited (company registration number 07630345)
- Creative (Contracts) Car Park Limited (company registration number 05818388)
- Star Park Management Limited (company registration number 06651610)

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

### 15 Acquisitions

On 7 December 2017, the company acquired 49.8% of the share capital of Creative Car Park Limited (and other subsidiaries in the Creative Group - see note 14) by way of a share for share exchange. It then transferred these shares to Creative Car Park Bidco Limited, a newly incorporated wholly-owned intermediate holding company, in exchange for 100% of its share capital. On the same date, Creative Car Park Bidco Limited acquired a further 25.2% of the share capital of Creative Car Park Limited. The total consideration for these transactions was £51,361,494 (see below). The acquisition has been accounted for under the acquisition method of accounting. At the date of the acquisition, the assets and liabilities of the acquired subsidiaries were as follows:

|                                      | Book Value<br>£ | Adjustments<br>£ | Fair Value<br>£   |
|--------------------------------------|-----------------|------------------|-------------------|
| Intangible assets                    | -               | 4,056,000        | 4,056,000         |
| Property, plant and equipment        | 1,255,918       | -                | 1,255,918         |
| Trade and other receivables          | 1,392,785       | -                | 1,392,785         |
| Cash and cash equivalents            | 2,821,427       | -                | 2,821,427         |
| Obligations under finance leases     | (827,961)       | -                | (827,961)         |
| Trade and other payables             | (913,219)       | -                | (913,219)         |
| Tax liabilities                      | (3,081,666)     | (15,215)         | (3,096,881)       |
| Deferred tax                         | (16,432)        | (689,520)        | (705,952)         |
| <b>Total identifiable net assets</b> | <b>630,852</b>  | <b>3,351,265</b> | <b>3,982,117</b>  |
| Non-controlling interests            |                 |                  | (995,530)         |
| Goodwill                             |                 |                  | 48,374,907        |
| <b>Total consideration</b>           |                 |                  | <b>51,361,494</b> |

The consideration was satisfied by:

|                        | £                 |
|------------------------|-------------------|
| Cash                   | 15,958,628        |
| Issue of shares        | 33,402,866        |
| Deferred consideration | 2,000,000         |
|                        | <b>51,361,494</b> |

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition:

|                  | £         |
|------------------|-----------|
| Turnover         | 3,778,764 |
| Profit after tax | 776,124   |

The goodwill arising on the acquisition of the business is attributable to the anticipated future growth and profitability of the group.

Of the cash consideration paid, £1,249,725 relates to costs of the acquisition.

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

### 16 Debtors

|   | Group<br>2018<br>£ | Company<br>2018<br>£ |
|---|--------------------|----------------------|
| <b>Amounts falling due within one year:</b> |                    |                      |
| Trade debtors                               | 1,735              | -                    |
| Amounts owed by group undertakings          | -                  | 4,176,897            |
| Other debtors                               | 441,521            | 212,800              |
| Prepayments and accrued income              | 1,665,468          | -                    |
|   | <u>2,108,724</u>   | <u>4,389,697</u>     |

### 17 Creditors: amounts falling due within one year

|                                   | Notes | Group<br>2018<br>£ | Company<br>2018<br>£ |
|-----------------------------------|-------|--------------------|----------------------|
| Obligations under finance leases  | 20    | 254,092            | -                    |
| Trade creditors                   |       | 496,847            | 3,600                |
| Amounts due to group undertakings |       | -                  | 28,970               |
| Corporation tax payable           |       | 2,604,887          | -                    |
| Other creditors                   |       | 726,048            | -                    |
| Accruals and deferred income      |       | 325,182            | 64,482               |
|                                   |       | <u>4,407,056</u>   | <u>97,052</u>        |

Obligations under finance leases are secured against assets to which the leases relate.

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

### 18 Creditors: amounts falling due after more than one year

|                                  | Notes | Group<br>2018<br>£ | Company<br>2018<br>£ |
|----------------------------------|-------|--------------------|----------------------|
| Bank loans                       | 19    | 12,000,000         | -                    |
| Obligations under finance leases | 20    | 679,731            | -                    |
| Other borrowings                 | 19    | 2,278,000          | 2,278,000            |
| Deferred consideration           | 15    | 2,000,000          | -                    |
|                                  |       | <u>16,957,731</u>  | <u>2,278,000</u>     |

Obligations under finance leases are secured against assets to which the leases relate.

Deferred consideration relates to an amount payable for the acquisition referred to in note 15. The amount will become payable upon the first to occur of the following: 1) if the adjusted EBITDA of any accounting period commencing from 7 December 2017 up to the accounting period ending on 31 March 2020 is greater than £5m and less than £6m, upon the completion of an exit, or 2) if the adjusted EBITDA of any accounting period described above is greater than £6m, upon the completion of an exit or, if earlier, upon a refinancing. Based upon current projections, EBITDA is expected to exceed £6m, and the deferred consideration therefore expected to become payable, in June 2019.

### 19 Borrowings

|                        | Group<br>2018<br>£ | Company<br>2018<br>£ |
|------------------------|--------------------|----------------------|
| Bank loans             | 12,000,000         | -                    |
| Other loans            | 2,278,000          | 2,278,000            |
|                        | <u>14,278,000</u>  | <u>2,278,000</u>     |
| Payable after one year | <u>14,278,000</u>  | <u>2,278,000</u>     |

Of the loans above, £12,000,000 is payable by the group on 17 August 2022 and is subject to interest at the greater of LIBOR or 1%, plus 8% per annum. This loan is secured by way of a fixed and floating charge over all of the property of the group.

The company has loans repayable on 7 December 2022 totalling £2,278,000 that are subject to interest at 9% per annum. These loans are secured by way of a fixed and floating charge over all of the property of the group.

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

### 20 Finance lease obligations

|   | Group<br>2018<br>£ | Company<br>2018<br>£ |
|---|--------------------|----------------------|
| Future minimum lease payments due under finance leases: |                    |                      |
| Less than one year                                      | 365,942            | -                    |
| Between one and five years                              | 819,346            | -                    |
|   | 1,185,288          | -                    |
| Less: future finance charges                            | (251,465)          | -                    |
|   | 933,823            | -                    |

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years and at the reporting date the average unexpired lease term is approximately two and a half years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 21 Financial instruments

|   | Group<br>2018<br>£ | Company<br>2018<br>£ |
|---|--------------------|----------------------|
| <b>Carrying amount of financial assets</b>      |                    |                      |
| Debt instruments measured at amortised cost     | 1,634,734          | n/a                  |
| <b>Carrying amount of financial liabilities</b> |                    |                      |
| Measured at amortised cost                      | 17,812,577         | n/a                  |

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

### 22 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

| Group                                | Liabilities<br>2018<br>£ |
|--------------------------------------|--------------------------|
| Accelerated capital allowances       | 38,815                   |
| Other short-term timing differences  | (6,293)                  |
| Identifiable intangible fixed assets | 597,584                  |
|                                      | 630,106                  |

The company has no deferred tax assets or liabilities.

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

### 22 Deferred taxation (Continued)

|                                 | Group<br>2018<br>£ | Company<br>2018<br>£ |
|---------------------------------|--------------------|----------------------|
| <b>Movements in the period:</b> |                    |                      |
| Liability at 3 November 2017    | -                  | -                    |
| Credit to profit or loss        | (75,846)           | -                    |
| Business combinations           | 705,952            | -                    |
| Liability at 31 March 2018      | <u>630,106</u>     | <u>-</u>             |

The deferred tax liability in respect of accelerated capital allowances is not expected to reverse before April 2020 and the deferred tax liability in respect of identifiable intangible fixed assets is expected to reverse by £275,808 within 12 months of the reporting date.

### 23 Retirement benefit schemes

|   | 2018<br>£    |
|---|--------------|
| <b>Defined contribution schemes</b>                                 |              |
| Charge to profit or loss in respect of defined contribution schemes | <u>2,274</u> |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. There were no contributions outstanding or prepaid at the balance sheet date.

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

### 24 Share capital

|  | Group and<br>company<br>2018<br>£ |
|--|-----------------------------------|
| <b>Ordinary share capital</b>          |                                   |
| <b>Issued and fully paid</b>           |                                   |
| 12,429 A Ordinary shares of £1 each    | 12,429                            |
| 2,345,935 B Ordinary shares of 1p each | 23,459                            |
| 15,438 C Ordinary shares of £1 each    | 15,438                            |
| 778 Ordinary shares of £1 each         | 778                               |
|  | <hr/> 52,104 <hr/>                |

The A Ordinary shares have voting rights as more particularly set out in the articles of association. Each share has attached to it capital and dividend rights as more particularly set out in the articles of association. The shares do not confer rights of redemption.

The B Ordinary shares do not have voting rights save in respect of any matter that requires the approval of the B shares as more particularly set out in the articles of association. Each share has attached to it capital and dividend rights as more particularly set out in the articles of association. The shares do not confer rights of redemption.

The C Ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer rights of redemption.

The Ordinary shares do not have voting rights save in respect of any matter that requires the approval of the Ordinary shareholders as more particularly set out in the articles of association. Each share has attached to it capital and dividend rights as more particularly set out in the articles of association. The shares do not confer rights of redemption.

A Put and Call Option Agreement is in place whereby Creative Car Park Holdings Limited is entitled to acquire the remaining 25% interest in the subsidiaries of the group on the event of an exit. The current holder of the interest is also entitled to sell the interest to Creative Car Park Holdings Limited at any time. If the option is exercised, the acquisition of the interest would take place via a share for share exchange, with the exercise price being the fair value of the shares. As such, no fair value has been recognised in respect of the derivative. The group does not hold present access to the returns associated with the 25% interest held by the holder of the call option and accordingly non-controlling interest is presented in the financial statements in respect of this holding.

Rockpool Investments LLP, a shareholder in the company, also has an option to acquire further shares to increase their holding on exit to 25.2%. Their holding currently stands at 24.2%.

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

### 24 Share capital (Continued)

#### Reconciliation of movements during the period:

|                            | A Ordinary<br>shares<br>Number | B Ordinary<br>shares<br>Number | C Ordinary<br>shares<br>Number | Ordinary<br>shares<br>Number |
|----------------------------|--------------------------------|--------------------------------|--------------------------------|------------------------------|
| At 3 November 2017         | -                              | -                              | -                              | -                            |
| Issue of fully paid shares | 12,429                         | 2,345,935                      | 15,438                         | 778                          |
| At 31 March 2018           | 12,429                         | 2,345,935                      | 15,438                         | 778                          |

During the period the company issued 12,429 A Ordinary shares of £1 each for a total consideration of £12,429.

The company also issued 2,345,935 B Ordinary shares of 1p each for a total consideration of £2,345,935, less transaction costs of £228,000.

The company also issued 15,438 C Ordinary shares of £1 each during the period, 498 of which were issued for cash on incorporation and 14,940 of which were issued by way of a share for share exchange. The fair value of the shares received in exchange for the shares issued was £33,418,304.

The company also issued 778 Ordinary shares of £1 each for a total consideration of £778.

### 25 Reserves

Reserves of the group represent the following:

#### Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

#### Profit and loss reserves

Cumulative profit or loss net of distributions to owners.



# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2018

### 26 Cash generated from group operations

|  | 2018<br>£      |
|--|----------------|
| Loss for the period after tax                        | (1,324,093)    |
| Adjustments for:                                     |                |
| Taxation charged                                     | 23,423         |
| Finance costs  | 575,260        |
| Amortisation and impairment of intangible assets     | 2,153,297      |
| Depreciation and impairment of tangible fixed assets | 174,815        |
| Movements in working capital:                        |                |
| (Increase) in debtors                                | (715,939)      |
| Increase in creditors                                | 58,810         |
| <b>Cash generated from/(absorbed by) operations</b>  | <b>945,573</b> |

### Non-cash transactions

During the period the group entered into finance lease contracts in respect of assets with a total capital value at inception of the contracts of £195,996.

### 27 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | Group<br>2018<br>£ | Company<br>2018<br>£ |
|----------------------------|--------------------|----------------------|
| Within one year            | 176,500            | -                    |
| Between one and five years | 457,625            | -                    |
|                            | <b>634,125</b>     | <b>-</b>             |

In addition to the above, the group also leases land, whereby the rent due is calculated as 50% of tariff payments and 10% of enforcement notice income generated on the land to which the lease relates. The lease expires in March 2020.

# CREATIVE CAR PARK HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 31 MARCH 2018

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#### 28 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

|                        | 2018<br>£ |
|------------------------|-----------|
| Aggregate compensation | 131,175   |

##### Transactions with related parties

An amount of £576,048 was owed to a director by a subsidiary company at the reporting date and is included within other creditors.

£2,000,000 is owed to a director by a subsidiary company at the reporting date in respect of deferred consideration due for the purchase of shares in subsidiaries.

On acquisition of the group's subsidiaries, a directors' loan balance of £322,117 was outstanding from a subsidiary company. This amount was repaid to the director during the period.

During the period, a loan of £2,278,000 was received by the company from a shareholder. The loan is subject to interest at 9% per annum and it is due for repayment on 7 December 2022. It is secured by way of a fixed and floating charge over all of the property of the group. Fees of £64,482 and interest of £33,214 were charged during the period, of which £28,970 was paid by a subsidiary company and are still owed back to that subsidiary company at the reporting date. Additionally, loan arrangement fees of £228,000 and transaction costs in respect of fundraising of £228,000 were charged during the period by the shareholder. Furthermore, a fundraising arrangement fee of £279,000 was charged during the period and is included within acquisition costs forming part of the consideration for the acquisition of the company's subsidiaries.

On acquisition of the group's subsidiaries, a loan of £230,000 was owed by a subsidiary company to a company under common ownership. £80,000 was repaid during the period and £150,000 was outstanding at the reporting date. The same company recharged data and hosting costs of £20,552 to the group during the period.

#### 29 Controlling party

In the opinion of the directors there is no ultimate controlling party.