

PARKINGPAL LIMITED

Annual Report

For the year ended 31 December 2014

Registered in England and Wales
Company registration number: 07621532



PARKINGPAL LIMITED

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PARKINGPAL LIMITED

Directors and advisors

For the year ended 31 December 2014

Directors

R G I Adams
D G W Murphy

Secretary

R G I Adams

Registered Office

The Power House
Chantry Place
Headstone Lane
Harrow
Middlesex
HA3 6NY

Bankers

Bank of Scotland
33 Old Street
London
BX2 1LB

Independent auditors

PricewaterhouseCoopers LLP
Chartered accountants and statutory auditors
1 Embankment Place
London
WC2N 6RH

PARKINGPAL LIMITED

Directors' report

For the year ended 31 December 2014

The directors present their annual report for the year ended 31 December 2014.

Principal activities

The principal activities of the Company during the year were distribution, installation and maintenance of parking solutions.

Results and dividends

The company's loss on ordinary activities before tax was £8,387 (2013: £368,769). The directors do not recommend a payment of dividend.

The business review, objectives and aims

The objective of the company is to develop the market for barrierless car parking management solutions based on automatic number plate recognition. A technology based car park solution is provided where payment can be made through kiosks, by account or by the internet. Demand for the automatic number plate recognition based systems is growing from councils, supermarkets, rail operators hospitals and retail developments. The number of installations grew during 2014 and continued growth is expected.

The company was purchased by the SWARCO AG group on 7th May 2014.

Financial risk management objectives and policies

The company's finance department manages the risk inherent in control of credit and availability of liquid funds in accordance with the corporate policies of its parent company APT Controls Limited.

The management review these policies regularly as summarised below:

Credit risk

The company seeks to minimise counterparty risk by trading only with established and financially strong customers. The risk is assessed on an on-going basis and relevant actions taken to mitigate any potential losses.

Liquidity risk

The company aims to maintain a balance between continuity and flexibility of funding through the use of operating cash flow and borrowings. The company's policy is to ensure that there is sufficient medium and long term funding available to meet liquidity requirements.

Going Concern

The directors consider the company will continue in operational existence for the foreseeable future due to the financial support of the parent company APT Controls Limited and of the ultimate parent company SWARCO AG for at least the next 12 months from the date of signing these financial statements. On this basis, it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

Directors

The directors who held office during the year and up to the date of this report:

R G I Adams
D G W Murphy

PARKINGPAL LIMITED

Directors' report (continued)

For the year ended 31 December 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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 the year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Statement of disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next Annual General Meeting.

By order of the Board



R G I Adams

Director

19 June 2015

PARKINGPAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARKINGPAL LIMITED

Report on the financial statements

Our opinion

In our opinion, Parkingpal Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.
-

What we have audited

Parkingpal Limited's financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

PARKINGPAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARKINGPAL LIMITED (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

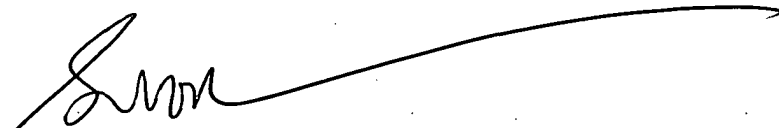
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Suzanne Woolfson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

19 June 2015

PARKINGPAL LIMITED

Profit and loss account

For the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	1,750,978	509,689
Cost of Sales		(1,256,197)	(484,051)
Gross profit		494,781	25,638
Administrative expenses		(501,778)	(393,165)
Operating loss		(6,997)	(367,527)
Interest payable and similar charges		(1,390)	(1,242)
Loss on ordinary activities before taxation		(8,387)	(368,769)
Tax credit on loss on ordinary activities	4	62,915	99,745
Profit/(Loss) for the financial year	11	54,528	(269,024)

The operating loss for the year arises from the company's continuing operations.

There is no difference between the loss on ordinary activities before taxation and profit/(loss) for the financial year stated above and their historical cost equivalents.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.


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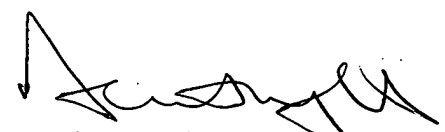
Balance Sheet

As at 31 December 2014

	Note	2014 £	2013 £
Fixed assets			
Intangible assets	5	309,149	196,036
Tangible assets	6	43,768	64,325
		352,917	260,361
Current assets			
Stock	7	48,934	24,257
Debtors	8	231,923	152,677
Cash at bank and in hand		765	81,324
		281,622	258,258
Creditors – amounts falling due within one year	9a	(1,485,193)	(1,411,617)
Net current liabilities		(1,203,571)	(1,153,359)
Total assets less current liabilities		(850,654)	(892,998)
Creditors – amounts falling due after more than one year	9b	(8,962)	(21,146)
Net liabilities		(859,616)	(914,144)
Capital and reserves			
Called up share capital	10	322	322
Share premium account	11	61,853	61,853
Profit and loss account	11	(921,791)	(976,319)
Total shareholders' deficit		(859,616)	(914,144)

The financial statements on page 8 to 14 were approved by the board of directors on 19 June 2015 and were signed on its behalf by:


R G I Adams
Director


D G W Murphy
Director

PARKINGPAL LIMITED

Notes to the financial statements for the year ended 31 December 2014

1. Accounting Policies

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies adopted by the Directors which have been consistently applied are described below.

The directors consider the company will continue in operational existence for the foreseeable future due to the financial support of the parent company APT Controls Limited and the ultimate parent company SWARCO AG for at least the next 12 months from the date of signing these financial statements. Therefore it is considered appropriate to adopt the going concern basis in preparing the financial statements.

The company is a subsidiary of SWARCO AG and is included in the consolidated financial statements of SWARCO AG. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

Turnover

Turnover is measured at the fair value of consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. Revenue from equipment sales is recognised when the goods are supplied, can be reliably measured and when it is probable that future benefits will flow to the company. Revenue on maintenance contracts are recognised evenly over the period of the contract.

Pension

The company operates a Personal Pension Scheme. Contributions to the scheme are charged in the profit and loss account as they become payable.

Taxation including deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Research and development

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred with the exception of all directly attributable expenditure on the development of new products and services where the outcome of those projects is assessed as being reasonably certain as regards viability and technical feasibility. Such expenditure is capitalised and amortised over the useful economic life commencing in the year sales of the product are first made.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:-

Plant and machinery	3 to 10 years
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PARKINGPAL LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

2. Turnover

All turnover relates to the sale of parking equipment and related services in the UK.

3. Operating loss

	2014 £	2013 £
Operating loss is stated after charging:		
Wages and salaries	394,869	227,019
Social security costs	51,551	25,101
Other pension costs	11,601	9,383
Staff costs	458,021	261,503
Depreciation of owned tangible assets	15,009	11,883
Depreciation of leased tangible assets	13,035	9,834
Amortisation	37,963	-
Loss on sale of tangible assets	258	-
Services provided by the company's auditors		
Fees payable for the audit	4,254	2,000
Fees payable for other services	5,950	1,500
Debt forgiven to a fellow subsidiary	-	(27,913)

The average monthly number of staff employed by the company was 10 (2013: 8) staff members, comprising of Admin 3 (2013: 2), Sales 2 (2013: 2), Information Technology 3 (2013: 2) and Installation 2 (2013: 2).

Unpaid pension contributions amounted to £813 (2013: £Nil).

Directors remuneration was paid by the parent company, APT Controls Limited and part of this remuneration is allocated to the company under a management fee arrangement.

4. Tax on loss on ordinary activities

	2014 £	2013 £
Current tax:		
UK corporation tax on losses for the year	(54,295)	(106,172)
Adjustment in respect of prior years	(8,620)	-
Total current tax	(62,915)	(106,172)
Deferred tax:		
Originating and reversal of timing differences	-	-
Change in tax rate and other	-	-
Tax on loss on ordinary activities	(62,915)	(106,172)

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Notes to the financial statements for the year ended 31 December 2014 (continued)

4. Tax on loss on ordinary activities - continued

The tax assessed for the year is lower (2013 lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2014 of 21.25% (2013: 23.25%). The differences are due to:

Loss on ordinary activities before taxation	(8,387)	(368,769)
Loss on ordinary activities multiplied by standard rate in the UK 21.5% (2013: 23.25%)	(1,803)	(85,739)
Effects of:		
Expenses not deductible for tax purposes	5,349	10,607
Accelerated capital allowances and other timing differences	(12,332)	(6,012)
Adjustments in respect of prior years	(25,772)	(18,601)
Research and development relief	(28,357)	-
Current tax charge for the year	(62,915)	(99,745)

The standard rate of Corporation Tax in the UK changed from 23% to 21% with effect from 1 April 2014, and will change to 20% from 1 April 2015 and 20% from 1 April 2015. UK deferred tax is therefore recognised at the reduced rate of 20%

5. Intangible assets

	2014	2013
	£	£
Cost		
At 1 January	196,036	89,344
Additions	151,076	106,692
At 31 December	347,112	196,036
Amortisation		
At 1 January	-	-
Charge for the year	37,963	-
At 31 December	37,963	-
Net book amount at 31 December	309,149	196,036

Development expenditure relates to the costs directly incurred by the company in the development of major new products.

PARKINGPAL LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

6. Tangible fixed assets

	2014 Plant and machinery £	2013 Plant and machinery £
Costs		
At 1 January	95,971	56,599
Additions	7,745	39,372
Disposals	(413)	-
At 31 December	103,303	95,971
Accumulated depreciation		
At 1 January	31,646	9,929
Charge for the year	28,044	21,717
Disposals	(155)	-
At 31 December	59,535	31,646
Net book amount at 31 December	43,768	64,325

The Company's commitments under finance leases (note 12) are secured by the lessors' title to the leased assets, which have a carrying amount of £11,110 (2013:£24,146).

7. Stock

	2014 £	2013 £
Raw materials and consumables	48,934	24,257
	48,934	24,257

8. Debtors

	2014 £	2013 £
Trade debtors	134,558	91,337
Amounts owed by group undertaking	-	1,809
Prepayments and accrued income	34,471	2,248
Corporation tax	62,894	57,283
	231,923	152,677

Amounts owed by ultimate parent and fellow subsidiaries are interest free and repayable on demand.

9a. Creditors – Amounts falling due within one year

	2014 £	2013 £
Trade creditors	57,914	77,349
Amounts owed to group undertakings	1,132,836	1,254,642
Taxation and social security	21,606	12,606
Accruals and other creditors	272,837	67,020
	1,485,193	1,411,617

Amounts owed to ultimate parent and fellow subsidiaries are interest free and repayable on demand.

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Notes to the financial statements for the year ended 31 December 2014 (continued)

9b. Creditors – Amounts falling due after more than one year

	2014 £	2013 £
Obligations under finance lease	8,962	21,146
	8,962	21,146

10. Called up share capital

	31 December 2014		31 December 2013	
	£	Number	£	Number
Allotted and fully paid: ordinary shares of £1 each	322	322	322	322

11. Reserves

	Called up Share capital £	Share premium account £	Profit and loss account £	Total shareholders' deficit £
At 31 December 2012	322	61,853	(707,295)	(645,120)
Loss for the year ended 31 December 2013	-	-	(269,024)	(269,024)
At 31 December 2013	322	61,853	(976,319)	(914,144)
Loss for the year ended 31 December 2014	-	-	54,528	54,528
At 31 December 2014	322	61,853	(921,791)	(859,616)

12. Finance lease commitments

	2014 £	2013 £
Expiring within one year	14,491	8,933
Expiring in more than one, but no more than five years	6,995	22,100
Expiring in more than five years	-	-
	21,486	31,033
Less: Finance charge	(1,535)	(2,400)
	19,951	28,633

13. Related party transactions

During the year the company also paid management charges to its parent company, SWARCO AG of £19,668 (2013: nil). The balance due to SWARCO AG at year end was nil (2013: Nil).

14. Ultimate parent undertaking and controlling party

The immediate parent undertaking is APT Controls Limited, which is incorporated in the United Kingdom. The Ultimate parent undertaking and controlling party is SWARCO AG, which is incorporated in Austria.