PARKINGPAL LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2017

Registered in England and Wales
Company registration number: 07621532

PARKINGPAL LIMITED

Contents

For the year ended 31 December 2017

PARKINGPAL LIMITED

Directors and advisors

For the year ended 31 December 2017

Directors

C S Dunstan
S J Evans

Secretary

S J Evans

Registered Office

Unit 1 Maxted Corner
Maxted Road
Hemel Hempstead
Hertfordshire
HP2 7RA

Bankers

Bank of Scotland
33 Old Street
London
BX2 1LB

Independent auditor

KPMG LLP
Chartered accountants and statutory auditor
15 Canada Square
London E14 5GL

The directors present their annual report for Parkingpal Limited ("the Company") for the year ended 31 December 2017.

Principal activities & Future trade

During the year ended 31st December 2017, the principal activities of the Company were distribution, installation and maintenance of 'Veripark' branded parking solutions.

The directors took the decision to transfer the Veripark business into its Parent Company, Swarco UK Limited (formerly, APT Controls Limited), effective 31 December 2017, and transferred all the Company's assets and liabilities on the 1st January 2018.

The Veripark brand will contiue to trade, but as a division within Swarco UK Limited. Accordingly, Parkingpal Limited ceased trading from 1st January 2018. As the directors intend to liquidate the Company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements. The effect of this is explained in note 1.

Results and dividends

The Company's loss on ordinary activities before tax was £219,462 (2016: £338,749). The directors do not recommend a payment of dividend (2016: nil).

Political contributions

The Company made no political donations (2016: £nil) or incurred any political expenditure during the year.

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 again during 2017 and continued growth is expected.

During the year it was decided to merge the Company with its immediate parent, Swarco UK Limited (known as APT Controls Ltd until 1 June 2018). This is to deliver operational efficiciencies and a stronger balance sheet, as well as to enable a better service delivery to our valued customers as the business enters its next phase of growth. The underlying Veripark business will remain the same, with the same client base, specialist staff team, underlying IP and suppliers remaining unchanged. It will effective 1 January 2018 operate as an autonomous operational division within Swarco UK Limited. Accordingly, during December 2017 a loan capitalization and share issue, and subsequent capital reduction were undertaken to allow the Assets and Liabilities of the Company to be hived up into Swarco UK Limited effective 1 January 2018.

Principal risk and uncertainties

On 23 June 2016, the UK electorate voted to discontinue its membership of the EU. The UK Government further triggered Article 50 on 29 March 2017 to start the formal process of leaving the EU.

While there will be commercial, operational and legal impacts from the UK's eventual exit from the EU, with the UK Government setting out its intention to leave the Single Market, uncertainties remain and make it difficult to forecast future years. Until further clarity with regards to the terms of the UK exit, it is too early for the directors to conclude their assessment of the impact on the Company's trade and customers, regulatory requirements and legal consequences of such event.

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 Swarco UK 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.

Basis of Preparation and Going Concern

The directors took the decision to transfer the operation of the Veripark business to its Parent Company, (Swarco UK Limited) effective 31 December 2017, and transferred all the Company's assets and liabilities on the 1st January 2018. The Veripark brand will continue to trade, but now as a division within Swarco UK Limited. Accordingly, Parkingpal Limited effectively ceased trading from 1st January 2018. As the directors intend to liquidate the company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. As a result, fixed assets were reclassified as current. No other adjustments to the financial statements were necessary.

The effect of this is explained in note 1.

Directors

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

S J Evans
C S Dunstan

Statement of disclosure of information to auditor

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 auditor is 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 auditor.

Independent Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

S Evans
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S J Evans
Director
Unit 1 Maxted Corner
Maxted Road
Hemel Hempstead
Hertfordshire
HP2 7RA
29th June 2018

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

For the year ended 31 December 2017

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so. As explained in the Directtors' Report and in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis, as they intend to liquidate the Company in due course.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Opinion

We have audited the financial statements of Parkingpal Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account, Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Frederic Caharel

Frederic Caharel (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 02 July 2018

PARKINGPAL LIMITED

Profit and loss account

For year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	2	**1,473,600**	1,729,029
Cost of Sales		(980,365)	(1,344,416)
Gross profit		**493,235**	384,613
Administrative expenses	3	(709,468)	(718,803)
Operating loss		**(216,233)**	(334,190)
Interest payable and similar expenses		(3,229)	(4,559)
Loss before taxation		**(219,462)**	(338,749)
Tax credit on loss	5	49,040	84,662
Loss after taxation	12	**(170,422)**	(254,087)

The operating loss for the year arises from the Company's continuing operations.
There is no difference between the loss for the 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.

The accompanying notes on pages 11 to 19 form an integral part of these financial statements.

PARKINGPAL LIMITED

Balance Sheet

As at 31 December 2017

	Note	**2017** £	2016 £
Fixed assets			
Intangible assets	6	-	684,363
Tangible assets	7	-	135,131
		-	**819,494**
Current assets			
Intangible assets	6	722,617	-
Tangible assets	7	106,109	-
Stock	8	36,910	62,849
Debtors	9	371,093	606,428
Cash at bank and in hand		73,642	-
		1,310,371	**669,277**
Creditors – amounts falling due within one year	10a	(565,047)	(2,834,072)
Net current (liabilities) / assets		**745,324**	**(2,164,795)**
Total assets less current liabilities		**745,324**	**(1,345,301)**
Creditors – amounts falling due after more than one year	10b	-	(51,016)
Net assets / (liabilities)		**745,324**	**(1,396,317)**
Capital and reserves			
Called up share capital	11	1	322
Share premium account	12	-	61,853
Profit and loss account	12	745,323	(1,458,492)
Total shareholders' funds/ (deficit)		**745,324**	(1,396,317)

The financial statements on page 11 to 19 were approved by the board of directors on 29th June 2018 and were signed on its behalf by:

S Evans

S J Evans
Director

C S Dunstan
Director

1. Accounting Policies

Parkingpal Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Swarco AG, includes the Company in its consolidated financial statements. The consolidated financial statements of Swarco AG are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Blattenwaldweg 8, 6112 Wattens, Austria.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures

- Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRS's;
- Disclosures in respect of the compensation of Key Management;
- Comparative period reconciliations for Tangible Fixed Assets and Intangible Fixed Assets

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis. Non-current assets are stated at the lower of previous carrying amount and fair value less costs to sell.

Basis of Preparation & Going Concern

In previous years, the financial statements have been prepared on a going concern basis. However, the directors took the decision to cease trading following the sale of the Company's assets and labiities on 1st Janury 2018. As the directors do not intend to acquire a replacement trade, and intend to liquidate the Company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis.

As a result of this change, fixed assets were reclassified as current. No other adjustments to the financial statements were necessary.

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. Turnover 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. Turnover on maintenance contracts is recognised evenly over the period of the contract.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the dates of the transactions or at the contracted rate if the transaction is covered by a forward rate agreement. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling on that date. The translation differences are recognised in the profit and loss account.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Taxation including deferred tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity in which case it is recognised directly in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Intangible assets

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. The estimated useful lives are as follows:

Capitalised development costs	3 to 4 years

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

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates

that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Expenses

Operating lease payments

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the lease term. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Employee benefits

Defined Contributions Plans

This is a defined contribution plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

2. Turnover

The Company's turnover represents amounts derived from the provision of goods and services, which fall within the Company's ordinary activities.

	2017 £	2016 £
United Kingdom	**1,293,730**	1,729,029
Other European countries	**179,870**	-
Rest of the world	**-**	-
	1,473,600	1,729,029

3. Expenses and auditor's remuneration

Included in profit/loss are the following:

	2017	2016
	£	£
Depreciation of owned tangible assets *(note 7)*	**15,745**	7,572
Depreciation of leased tangible assets *(note 7)*	**32,389**	35,985
Amortisation *(note 6)*	**187,365**	118,080
(Gain) / loss on sale of tangible assets	**(1,584)**	1,518
Services provided by the Company's auditor		
Fees payable for the audit of these financial statements	**13,000**	7,875
Fees payable for taxation services	-	-

4a. Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

Number	2017	2016
Installation	**3**	3
Selling, distribution and administration	**9**	11
	12	14

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£	£
Wages and salaries	**381,930**	480,461
Social security costs	**57,447**	68,061
Other pension costs	**18,340**	8,611
Staff costs	**457,717**	557,133

Unpaid pension contributions amounted to £nil (2016: £nil) as at 31 December 2017.

4b. Directors' remuneration

	2017	2016
	£	£
Directors' remuneration	**25,952**	54,100
Company contributions to money purchase pension plans	**2,215**	4,555
	28,167	58,655

Directors remuneration was paid by the parent company, Swarco UK Limited and part of this remuneration is allocated to the Company under a management fee arrangement. These are included in the table above.

4b. Directors' remuneration *(continued)*

The aggregate remuneration of the highest paid director were as follows:

	2017 £	2016 £
Director's remuneration	**17,927**	39,134
Company contributions to money purchase pension plans	**1,424**	3,090
	19,351	42,224

5. Taxation

Recognised in the profit and loss account

	2017 £	2016 £
UK corporation tax:		
Current tax on income for the year	**(43,595)**	(93,078)
Adjustment in respect of prior years	**(601)**	(122,682)
Reclassification from Deferred Tax asset	**(23,243)**	-
Total current tax	**(67,439)**	(215,760)
Deferred tax:		
Change for current year	**-**	24,220
Adjustment in respect of prior years	**(4,844)**	106,878
Reclassifcation to Corporation tax asset	**23,243**	-
Total deferred tax	**18,399**	131,098
Tax on loss	**(49,040)**	(84,662)

The tax assessed for the year is lower (2016: lower) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2017 of 19.25% (2016: 20%). The differences are explained below:

Reconciliation of effective tax rate

Loss before taxation	**(219,462)**	**(338,749)**
Tax using the UK Corporation tax rate 19.25% (2016: 20%)	(42,246)	(67,750)
Effects of:		
Expenses not deductible for tax purposes	23	1,274
Accelerated capital allowances and other timing differences	(5,596)	-
Adjustments in respect of prior years	(5,445)	(15,803)
Research and development relief	4,224	6,481
Tax rate changes	-	(8,864)
Current tax credit for the year	**(49,040)**	**(84,662)**

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted 6 September 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax asset and liability at the balance sheet date has been calculated based on these rates.

6. Intangible assets- Capitialised Product Development

	2017 £
Cost	
At 1 January 2017	948,178
Additions	225,619
Disposals	-
At 31 December 2017	**1,173,797**
Amortisation	
At 1 January 2017	263,815
Charge for the year	187,365
Disposals	-
At 31 December 2017	**451,180**
Net book amount at 31 December 2017	**722,617**
Net book amount at 31 December 2016	684,363

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

7. Tangible fixes assets

	2017 Plant and machinery £
Costs	
At 1 January 2017	205,081
Additions	19,112
Disposals	(13,136)
At 31 December 2017	**211,057**
Accumulated depreciation	
At 1 January 2017	69,950
Charge for the year	48,134
Disposals	(13,136)
At 31 December 2017	**104,948**
Net book amount at 31 December 2017	**106,109**
Net book amount at 31 December 2016	135,131

The Company's commitments under finance leases (note 13) are secured by the lessors' title to the leased assets, which have a carrying amount of £26,193 (2016: £58,582).

8. Stock

	2017 £	2016 £
Raw materials and consumables	36,910	62,849
	36,910	62,849

9a. Debtors

	2017	2016
	£	£
Trade debtors	96,366	334,046
Amounts owed by group undertakings	173,059	5,145
Prepayments and accrued income	12,033	14,316
Corporation tax	75,998	229,679
Deferred tax asset (*note 9b*)	13,637	23,242
	371,093	606,428

9b. Deferred tax assets and liabilities

Deferred tax assets are of £13,637 (2016: £23,242) are attributable to tax losses and tax credits. Deferred tax liabilities of £97,046 (2016: £97,045) are attributable to fixed assets and intangibles.

	2017	2016
	£	£
1 January 2017 *(note 5)*	**(73,803)**	57,295
Credit to the profit and loss account - current year *(note 5)*	-	(24,220)
Credit to the profit and loss account - Adjustment in respect of prior year *(note 5)*	**13,637**	(106,878)
Deferred tax asset subsequently reclassificed as Corporation Tax asset *(note 5)*	**(23,243)**	-
31 December 2017 (Liability)/Asset	**(83,409)**	(73,803)

10a. Creditors –Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	68,518	117,343
Amounts owed to group undertakings	-	2,171,437
Obligations under finance lease (*note 13*)	51,932	27,166
Taxation and social security	23,602	34,700
Deferred tax liabilities (*note 9b*)	97,046	97,045
Accruals and other creditors	323,949	381,664
Bank overdraft	-	4,717
	565,047	2,834,072

Amounts owed to group undertakings in 2016 were interest free and repayable on demand.

10b. Creditors –Amounts falling due after more than one year

	2017	2016
	£	£
Obligations under finance lease (*note 13*)	-	51,016
	-	51,016

The obligations under Finance leases will all transfer to Swarco UK Limited effective 1 January 2018, so are classified as short term liabilities in these Financial Statements.

11. Called up share capital

	31 December 2017 £	31 December 2017 Number	31 December 2016 £	31 December 2016 Number
Allotted, issued and fully paid:				
Ordinary shares of £1 each	1	1	322	322

12. Reserves

	Called up Share capital £	Share premium account £	Profit and loss account £	Total shareholders' deficit £
At 31 December 2016	**322**	**61,853**	**(1,458,492)**	**(1,396,317)**
Shares Issued in Year	2,312,063	-	-	2,312,063
Capital Reduction	(2,312,384)	(61,853)	2,374,237	-
Loss for the year	-	-	(170,422)	(170,422)
At 31 December 2017	**1**	**-**	**745,323**	**745,324**

13. Finance Lease Commitments

Finance leases relate to company cars, which are normally acquired on a 2 year to 4 year finance lease period dependent on likely usage of the vehicle. There are no contingent rents or escalation clauses. Liabilities are payable as follows:

	Minimum lease payments 2017 £	Interest 2017 £	Principal 2017 £	Minimum lease payments 2016 £	Interest 2016 £	Principal 2016 £
Less than one year	**47,076**	**1,744**	**45,332**	29,099	1,933	27,166
Between one and five years	**6,789**	**189**	**6,600**	52,948	1,932	51,016
More than five years	-	-	-	-	-	-
Total	**53,865**	**1,933**	**51,932**	82,047	3,865	78,182

The Finance leases will all transfer to Swarco UK Ltd effective 1 January 2018, so are classified as short term liabilities in these Financial Statements.

14. Related party transactions

During the year the Company paid management charges of £63,011 (2016: £77,985), and made purchases of £nil (2016: £nil) from its ultimate parent company, SWARCO AG. The balance due from SWARCO AG at year end was £nil (2016: £nil).

During the year the Company was recharged expenses and management fees of £195,158 (2016: £386,915), and made purchases of £10,549 (2016: £217) from, and made sales of £ 22,488 (2016: £nil) to its parent company, Swarco UK Limited. The balance due to Swarco UK Limited at year end was £nil (2016: £2,171,372).

During the year the Company also traded with various other subsidiaries of SWARCO AG. The Company made purchases of £nil (2016: £43,965) and sales of £179,810 (2016: £6,315), and was recharged expenses of £7,395 (2016: £7,363). The balance due at year end was a debtor in the sum of £173,059 (2016: £5,145) and a creditor payable of £nil (2016: £65).

15. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Swarco UK Limited (formerly known as 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. The largest group in which the results of the Company are consolidated is that headed by Swarco AG and the financial statements of this group is available from Blattenwaldweg 8, 66112 Wattens.