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IMPERIAL CIVIL ENFORCEMENT SOLUTIONS LIMITED (FORMERLY LANGDALE SYSTEMS LIMITED)

FINANCIAL STATEMENTS

For the Year ended 31 OCTOBER 2009

Company no 2023383

For the year ended 31 OCTOBER 2009

Company registration number	2023383
Registered office	7 Hill Street Bristol Avon BS1 5PU
Directors	M Neky I I Yamanaka
Secretary	I I Yamanaka
Bankers	Bank of Scotland 21 Prince Street Bristol BS99 7JG
Solicitors	Druces & Attlee Salisbury House London Wall London EC2M 5PS
Auditor	Grant Thornton UK LLP Registered Auditor Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

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The directors present their report together with the audited financial statements for the year ended 31 October 2009

Principal activities
The principal activities of the company are the provision of computer systems and software for the parking industry and the management of voucher parking systems The company is also involved in the development of software for parking systems, highway management and pen-based computing

Business review and future prospects
There was a profit for the year after taxation amounting to £180,740 (2008 £357,822) The directors do not recommend the payment of a dividend (2008 £nil) The company seeks to expand its existing activities wherever suitable opportunities arise

On 7 October 2009 the company changed its name to Imperial Civil Enforcement Solutions Limited

On 31 October 2009 the net trade assets of Compex Development and Marketing Limited (a fellow subsidiary of Imperial Business Systems Limited) were transferred to the company

Directors
The present membership of the Board is set out below All served on the Board throughout the year

M Neky
I I Yamanaka

Financial risk management objectives and policies
The company uses various financial instruments which include cash, trade debtors, trade creditors and amounts due to/from group undertakings that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and credit risk The directors review and agree policies for managing each of these risks and they are summarised below These policies have remained unchanged from previous years

Liquidity risk
The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably

The company's policy throughout the year has been to achieve this objective through management's day to day involvement in business decisions rather than through setting maximum or minimum liquidity ratios

Interest rate risk
The company finances its operations through retained profits

The company's cash assets are held in floating rate accounts Trade debtors and creditors do not attract interest and are therefore subject to fair value interest rate risk

Credit risk
The company's principal financial assets are cash and trade debtors The credit risk associated with cash balances are limited despite the current economic conditions The directors continue to closely monitor the banks credit worthiness Additional credit risk arises from trade debtors

In order to manage credit risk, management sets limits for customers based on a combination of payment history and third party credit references Credit limits are reviewed by management on a regular basis in conjunction with debt ageing and collection history

Principal risks and uncertainties
The management of the business and the execution of the company's strategy are subject to a number of risks

The company specialises in computer consultancy within the parking and related business sector It is reliant on the uptake of these services and therefore any changes in the level of activity is likely to affect the results The company has particular expertise in this area with superior software products that the directors are confident will ensure growth in the future by increasing its market share at the expense of other competitors

Cost levels are also being monitored to ensure an adequate return is received

Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the directors to prepare financial statements for each financial year which 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 those 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 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

Statement of directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records that 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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed re-appointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Act

Small company exemption

The directors' report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small entities

ON BEHALF OF THE BOARD

M Neky
Director
29 APRIL 2010

Grant Thornton

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF IMPERIAL CIVIL ENFORCEMENT SOLUTIONS LIMITED

We have audited the financial statements of Imperial Civil Enforcement Solutions Limited for the year ended 31 October 2009 which comprise the principal accounting policies, the profit and loss account, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement (set out on pages 2 and 3), 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/UKNP

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 October 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Grant Thornton

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS IMPERIAL CIVIL ENFORCEMENT SOLUTIONS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Grant Thornton UK LLP

Amrish Shah BSc FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
4 May 2010

Basis of Preparation
The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

The principal accounting policies of the company have remained unchanged from the previous year and are set out below

Turnover
Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts All turnover is derived from the parking enforcement sector in the United Kingdom Goods-related turnover is recognised when the company has satisfied all of its obligations in respect of delivery and transfer of ownership Revenue invoiced in advance in respect of support is deferred and released to turnover evenly over the duration of the support period

Intangible fixed assets
Intangible fixed assets represent software development costs Expenditure on software development is capitalised on a project by project basis as permitted by SSAP 13 when its future recoverability can be assessed with reasonable certainty These balances are amortised on a straight line basis of 33% per annum as the directors believe this to be most appropriate rate. Provisions are made for any impairments and charged to the profit and loss account

Tangible Fixed Assets and Depreciation
Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives The rates generally applicable are

Computer equipment	25% to 33% straight line
Fixtures and fittings	10% to 25% straight line

Stocks
Stocks represent finished goods for resale Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Operating leases
Leases which do not entail taking substantially all the risks and rewards of ownership of the assets are operating leases, and the rental charges are taken to the profit and loss account on a straight line basis over the period of the leases

Long term contracts

Revenue is recognised in accordance with the stage of completion of contractual obligations to the customer The stage of completion is ascertained by assessing the fair value of the goods / services provided to the balance sheet date as a proportion of the total fair value of the contract Losses on contracts are recognised in the period in which the loss first becomes foreseeable Contract losses are determined as the amount by which estimated direct and indirect costs of the contract exceed the estimated total revenues that will be generated by the contract

The attributable profit on a long-term contract is recognised once the contract's outcome can be assessed with reasonable certainty The profit recognised reflects the proportion of work completed to date on the contract determined by reference to the proportion of the value of work completed to total contract value Costs associated with long-term contracts are included in stocks to the extent that they do not relate to contract work accounted for as turnover Long-term contract balances included in stocks are stated at cost, after provision has been made for any foreseeable losses and the deduction of applicable payments on account

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date Deferred tax assets are recognised when it is more likely than not that they will be recovered Deferred tax is measured on an undiscounted basis using rates of tax that have been enacted or substantively enacted by the balance sheet date

Contributions to pension schemes

Defined Contribution Scheme

The company operates a defined contributions pension scheme for employees The assets of the scheme are held separately from those of the company in an independently administered fund The pension cost charge represents contributions payable by the company to the fund

Liability Limitation Agreement with the auditor

The company has entered into a liability limitation agreement with Grant Thornton UK LLP, the statutory auditor, in respect of the statutory audit for the year ended 31 October 2009 The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and was approved by the shareholders on 5 March 2010

PROFIT AND LOSS ACCOUNT

For the year ended 31 OCTOBER 2009

	Note	2009 £	2008 £
Turnover	1	**2,664,020**	3,024,902
Cost of sales		**(1,164,727)**	(1,245,276)
Gross profit		**1,499,293**	1,779,626
Other operating charges		**(1,262,221)**	(1,300,154)
Operating profit		**237,072**	479,472
Interest receivable	2	**4,891**	23,017
Profit on ordinary activities before taxation	1	**241,963**	502,489
Tax on profit on ordinary activities	5	**(61,223)**	(144,667)
Profit retained and transferred to reserves	12	**180,740**	357,822

All transactions arise from continuing operations

There were no recognised gains or losses other than the profit for the financial year

The accompanying accounting policies and notes form an integral part of these financial statements

	Note	2009 £	2008 £
Fixed assets			
Intangible assets	6	**1,266,874**	494,646
Tangible assets	7	**72,270**	5,503
		1,339,144	500,149
Current assets			
Stocks	8	**89,122**	52,897
Debtors (amounts due within one year)	9	**1,034,475**	909,493
Debtors (amounts due in more than one year)	9	**860,000**	710,000
Cash at bank and in hand		**714,302**	675,010
		2,697,899	2,347,400
Creditors: amounts falling due within one year	10	**(2,321,367)**	(1,312,613)
Net current assets		**376,532**	1,034,787
Net Assets		**1,715,676**	1,534,936
Capital and reserves			
Called up share capital	11	**1,233,905**	1,233,905
Share premium account	12	**210,426**	210,426
Capital redemption reserve	12	**48**	48
Profit and loss account	12	**271,297**	90,557
Shareholders' funds	13	**1,715,676**	1,534,936

The financial statements were approved by the Board of Directors and authorised for issue on 29 APRIL 2010

M Neky - Director

Company registration no 2023383

The accompanying accounting policies and notes form an integral part of these financial statements

1 Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation is attributable to the company's principal activity

The profit on ordinary activities before taxation is stated after

	2009	2008
	£	£
Auditors' remuneration		
Audit services	**15,750**	13,375
Non-audit services	**3,050**	3,050
Depreciation		
Tangible fixed assets owned	**4,200**	6,351
Amortisation - intangible fixed assets	**358,218**	313,817
Operating lease rentals - plant and machinery	**8,376**	7,971

2 Net interest

	2009	2008
	£	£
Bank deposit interest	**4,891**	23,017

3 Directors and employees

Staff costs during the year were as follows

	2009	2008
	£	£
Wages and salaries	**519,899**	508,729
Social security costs	**57,515**	63,858
Other pension costs	**21,697**	16,845
	599,111	589,432

4 Directors and employees (continued)

The average number of employees of the company during the year was:

	2009 Number	2008 Number
Directors	**2**	2
Managerial and clerical staff	**21**	20
	23	22

Directors did not receive any remuneration during the year.

None of the directors were members of the company's defined contribution pension scheme in either the current and preceding year

5 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and represents

	2009 £	2008 £
Current tax:		
United Kingdom corporation tax at 28% (2008 28%)	**61,223**	144,084
Adjustment in respect of previous period	**-**	583
Total current tax on profit on ordinary activities	**61,223**	144,667

Factors affecting tax charge for the period:
The tax assessed for the period is different to the standard rate of corporation tax in the United Kingdom of 28% (2008 28%) The differences are explained as follows

	2009 £	2008 £
Profit on ordinary activities before tax	**241,963**	502,489
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 28% (2008 28%)	**67,750**	140,697
Effect of		
Expenses not deductible for tax purposes	**5,618**	1,725
Capital allowances for the period in excess of depreciation	**(7,512)**	(2,485)
Difference in tax rate	**-**	4,147
Adjustment in respect of previous periods	**-**	583
Marginal relief	**(4,633)**	-
	61,223	144,667

The company has not recognised a deferred tax asset of £ 5,566 (2008 £13,034) because the directors do not believe this will crystallise This is due to capitalised expenditure on software development and is likely to run at a level which will result in accounting depreciation continuing to exceed capital allowances for the foreseeable future

6 Intangible fixed assets

	Software development £
Cost	
At 1 November 2008	2,509,100
Additions	654,315
Amounts transferred from group company	476,131
At 31 October 2009	**3,639,546**
Amortisation	
At 1 November 2008	2,014,454
Provided in the year	358,218
At 31 October 2009	**2,372,672**
Net book amount at 31 October 2009	**1,266,874**
Net book amount at 31 October 2008	494,646

7 Tangible fixed assets

	Computer equipment, plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 November 2008	169,337	54,215	9,994	233,546
Additions	397	4,283	-	4,680
Amounts transferred from group company	-	66,287	-	66,287
At 31 October 2009	**169,734**	**124,785**	**9,994**	**304,513**
Depreciation				
At 1 November 2008	165,805	52,244	9,994	228,043
Charged in the year	2,661	1,539	-	4,200
At 31 October 2009	**168,466**	**53,783**	**9,994**	**232,243**
Net book amount at 31 October 2009	**1,268**	**71,002**	**-**	**72,270**
Net book amount at 31 October 2008	3,532	1,971	-	5,503

8 Stocks

	2009 £	2008 £
Finished goods and goods for resale	**89,122**	52,897

9 Debtors

	2009 £	2008 £
Trade debtors	**457,838**	517,548
Amounts owed by other group undertakings	**860,000**	817,852
Other debtors	**265,621**	202,487
Prepayments and accrued income	**299,613**	10,111
Amounts recoverable on contracts	**11,403**	71,495
	1,894,475	1,619,493

Included within amounts owed by other group undertakings is £860,000 (2008 £710,000) with respect to an inter-company loan which is recoverable after more than one year from the balance sheet date

10 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	**90,756**	72,418
Amounts owed to group undertakings	**900,818**	211,577
Corporation tax	**61,193**	144,085
Other taxation and social security	**56,000**	25,549
Accruals and deferred income	**807,132**	483,879
Other creditors	**405,468**	375,105
	2,321,367	1,312,613

11 Called up share capital

	2009 £	2008 £
Authorised		
1,240,000 ordinary shares of £1 each	**1,240,000**	1,240,000
Allotted, called up and fully paid		
1,233,905 ordinary shares of £1 each	**1,233,905**	1,233,905

12 Share premium account and reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 November 2008	210,426	48	90,557
Profit for the year	-	-	180,740
At 31 October 2009	**210,426**	**48**	**271,297**

13 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
Profit for the financial year	**180,740**	357,822
Shareholders' funds at 1 November 2008	**1,534,936**	1,177,114
Shareholders' funds at 31 October 2009	**1,715,676**	1,534,936

14 Capital commitments

The company had no capital commitments at 31 October 2009 or 31 October 2008

15 Contingent liabilities

There were no contingent liabilities at 31 October 2009 or 31 October 2008

The assets of the company are subject to a fixed and floating charge in connection with a bank loan provided to the parent undertaking, the balance of which amounted to £762,151 at 31 October 2009 (2008 £1,007,137)

16 Leasing commitments

Operating lease payments amounting to £8,376 (2008 £7,971) are due within one year The leases to which these amounts relate expire as follows

	2009		2008	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	-	**2,451**	-	4,914
Between one and five years	-	**5,925**	-	3,057
	-	**8,376**	-	7,971

17 Transactions with directors and other related parties

As a wholly owned subsidiary of Imperial Business Systems Limited this company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by Imperial Business Systems Limited on the grounds that financial statements are publicly available There are no other related party transactions

18 Ultimate parent undertaking

The ultimate parent company and ultimate controlling entity of Imperial Civil Enforcement Solutions Limited is Imperial Business Systems Limited, a company incorporated in Great Britain and registered in England and Wales