

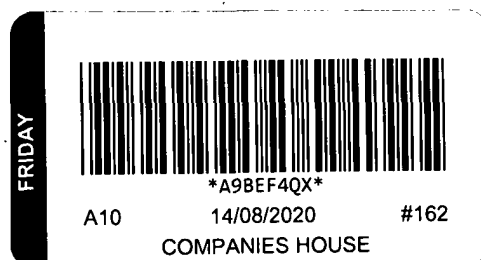
Registration number: 02023383

Imperial Civil Enforcement Solutions Limited

Annual Report and Financial Statements

for the Year Ended 31 October 2019

Leslie Dark & Co
St Matthew's House
Quays Office Park
Conference Avenue
Portishead
Bristol
BS20 7LZ



Imperial Civil Enforcement Solutions Limited

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Imperial Civil Enforcement Solutions Limited

Company Information

Directors B Beattie
 Martin Timothy Porter
 Mr Mark Miller
 Ashley Bijster

Company secretary Martin Timothy Porter

Registered office 7 Hill Street
 Bristol
 Avon
 BS1 5PU

Solicitors Clark Holt
 Hardwick House
 Prospect Place
 Swindon
 SN1 3LJ

Auditors Leslie Dark & Co
 St Matthew's House
 Quays Office Park
 Conference Avenue
 Portishead
 Bristol
 BS20 7LZ

Imperial Civil Enforcement Solutions Limited

Strategic Report for the Year Ended 31 October 2019

The directors present their strategic report for the year ended 31 October 2019.

Introduction

The objectives of this report are to provide shareholders and other users of these statements:

- with the appropriate level of background context for these financial statements
- with an analysis of the company's past performance, and
- insight into the company's main objectives and strategies, and the principal risks it faces and how they might affect future prospects.

Principal activity

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

Change Of Ownership

On 31 October 2019 the company and its immediate parent were acquired by Volaris Group Holdco UK Ltd, which is part of a global business headed by Constellation Software Inc, which is listed on the Toronto stock exchange.

The company's objectives

The Board sees the main business objective as delivering sustainable, responsible and profitable business growth in order to deliver:

- Consultancy and training
- Software solutions to the enforcement and smart city sectors
- Managed services

The company's strategy

The company's strategy is to:

- Continue to develop innovative software and services to the enforcement and smart city sectors
- Maintain the current levels of profitability
- Provide excellent customer service

The company seeks to expand its existing activities wherever suitable opportunities arise.

Imperial Civil Enforcement Solutions Limited

Strategic Report for the Year Ended 31 October 2019

Fair review of the business

In order to assess the impact of the current pandemic the directors have carried out a detailed review of the business and are confident that the company has sufficient resources in place to be able to trade through and beyond the restrictions imposed as a result of Covid 19. SaaS and software maintenance revenues remain unaffected. However, transactional volumes have decreased through our Business Processing Unit. The Government has directed the public sector to keep paying their contractors and suppliers and new Procurement Policy Note (PPN 02/20) has allowed us to invoice our Local Authority Customers based on previous invoices. Opex reductions have been applied and continue to be reviewed and reduced, where appropriate.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2019	2018
Turnover	£	8,847,197	8,893,770
EBITDA	£	1,320,631	1,706,706
Gross margin	£	4,935,931	4,632,485

The directors are of the opinion that analysis using KPIs other than those above is not necessary for an understanding of the development, performance or position of the business.

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 are likely to affect results. The company has particular expertise in this area with the 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 adequate return is received.

Coronavirus 19 Risk

On March 11, 2020, the World Health Organisation declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact revenue income. The company has carefully evaluated circumstances around Coronavirus 19 and amended the operating costs to a more pessimistic scenario and will still be profitable in 2020 and future years. No funding will be required outside of the group

Approved by the Board on 10/08/2020 and signed on its behalf by:



Ashley Bijster
Director

Imperial Civil Enforcement Solutions Limited

Directors' Report for the Year Ended 31 October 2019

The directors present their report and the financial statements for the year ended 31 October 2019.

Directors of the company

The directors who held office during the year were as follows:

B Beattie (appointed 31 October 2019)

I I Yamanaka (resignation 31 October 2019)

M Neky (resignation 31 October 2019)

Martin Timothy Porter - Company secretary and director (appointed 31 October 2019)

Mr Mark Miller (appointed 31 October 2019)

Ashley Bijster

Dividends

The directors recommend that no final dividend payment be made in respect of the financial year ended 31 October 2019.

Objectives and policies

The company uses various financial instruments which include cash, trade debtors and trade creditors 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.

Imperial Civil Enforcement Solutions Limited

Directors' Report for the Year Ended 31 October 2019

Price risk, credit risk, liquidity risk and cash flow risk

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 is limited despite the current economic conditions. The directors continue to closely monitor bank 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.

Research and development

The company is currently undertaking research and development to ensure that the company's software and systems are at the forefront of developments in information technology and hence maintaining the company's position as a market leader.

Employee involvement

Recruitment policies are designed to ensure equal opportunity of employment regardless of age, race or sex.

Appropriate consideration is given to disabled applicants in offering employment.

Good communications and relations with employees are maintained. Senior management are kept informed of developments in certain financial, commercial, strategic and personnel matters as needed and are thereby enabled to inform and discuss with employees as appropriate.

Imperial Civil Enforcement Solutions Limited

Directors' Report for the Year Ended 31 October 2019

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

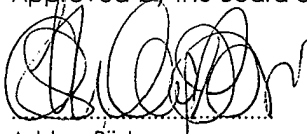
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Leslie Dark & Co as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 10/08/20 and signed on its behalf by:



Ashley Bijster
Director

Imperial Civil Enforcement Solutions Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; and
- 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 and in accordance with Financial Reporting Standard 102. 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.

Imperial Civil Enforcement Solutions Limited

Independent Auditor's Report to the Members of Imperial Civil Enforcement Solutions Limited

Opinion

We have audited the financial statements of Imperial Civil Enforcement Solutions Limited (the 'company') for the year ended 31 October 2019, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 Financial Reporting Standard 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 company's affairs as at 31 October 2019 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.

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 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 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Imperial Civil Enforcement Solutions Limited

Independent Auditor's Report to the Members of Imperial Civil Enforcement Solutions Limited

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its 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 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 7], 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 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 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Imperial Civil Enforcement Solutions Limited

Independent Auditor's Report to the Members of Imperial Civil Enforcement Solutions Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

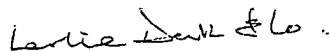
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Imperial Civil Enforcement Solutions Limited

Independent Auditor's Report to the Members of Imperial Civil Enforcement Solutions Limited

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 Wragg BA, FCA (Senior Statutory Auditor)
For and on behalf of Leslie Dark & Co, Statutory Auditor

St Matthew's House
Quays Office Park
Conference Avenue
Portishead
Bristol
BS20 7LZ

10 August 2020

Imperial Civil Enforcement Solutions Limited

Profit and Loss Account for the Year Ended 31 October 2019

	Note	2019 £	2018 £
Turnover	3	8,847,197	8,893,770
Cost of sales		<u>(3,911,266)</u>	<u>(4,261,285)</u>
Gross profit		4,935,931	4,632,485
Administrative expenses		(3,455,430)	(3,365,443)
Total exceptional items	27	<u>(630,000)</u>	<u>-</u>
Operating profit	4	<u>850,501</u>	<u>1,267,042</u>
Other interest receivable and similar income	5	5,013	4,136
Interest payable and similar expenses	6	<u>-</u>	<u>(37)</u>
		<u>5,013</u>	<u>4,099</u>
Profit before tax		855,514	1,271,141
Taxation	10	<u>32,284</u>	<u>(97,597)</u>
Profit for the financial year		<u><u>887,798</u></u>	<u><u>1,173,544</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 17 to 33 form an integral part of these financial statements.

Imperial Civil Enforcement Solutions Limited

Statement of Comprehensive Income for the Year Ended 31 October 2019

	2019 £	2018 £
Profit for the year	<u>887,798</u>	<u>1,173,544</u>
Total comprehensive income for the year	<u><u>887,798</u></u>	<u><u>1,173,544</u></u>

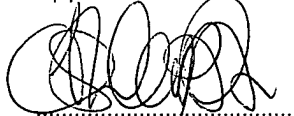
The notes on pages 17 to 33 form an integral part of these financial statements.

Imperial Civil Enforcement Solutions Limited

(Registration number: 02023383)
Balance Sheet as at 31 October 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	11	647,692	536,846
Tangible assets	12	296,844	233,363
Investments	13	416,881	416,881
		<u>1,361,417</u>	<u>1,187,090</u>
Current assets			
Stocks	14	38,772	20,475
Debtors	15	2,013,520	2,348,930
Cash at bank and in hand		5,170,299	3,974,756
		<u>7,222,591</u>	<u>6,344,161</u>
Creditors: Amounts falling due within one year	17	<u>(3,490,807)</u>	<u>(3,234,886)</u>
Net current assets		<u>3,731,784</u>	<u>3,109,275</u>
Total assets less current liabilities		5,093,201	4,296,365
Creditors: Amounts falling due after more than one year	17	(416,881)	(416,881)
Provisions for liabilities	18	<u>(174,280)</u>	<u>(265,242)</u>
Net assets		<u>4,502,040</u>	<u>3,614,242</u>
Capital and reserves			
Called up share capital		1,233,905	1,233,905
Share premium reserve	21	210,426	210,426
Capital redemption reserve	21	48	48
Profit and loss account	21	<u>3,057,661</u>	<u>2,169,863</u>
Shareholders' funds		<u>4,502,040</u>	<u>3,614,242</u>

Approved and authorised by the Board on 10/08/20 and signed on its behalf by:



Ashley Bijster
Director

The notes on pages 17 to 33 form an integral part of these financial statements.

Imperial Civil Enforcement Solutions Limited

Statement of Changes in Equity for the Year Ended 31 October 2019

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 November 2018	1,233,905	210,426	48	2,169,863	3,614,242
Profit for the year	-	-	-	887,798	887,798
Total comprehensive income	-	-	-	887,798	887,798
At 31 October 2019	<u>1,233,905</u>	<u>210,426</u>	<u>48</u>	<u>3,057,661</u>	<u>4,502,040</u>

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 November 2017	<u>1,233,905</u>	<u>210,426</u>	<u>48</u>	<u>1,996,319</u>	<u>3,440,698</u>
Profit for the year	-	-	-	1,173,544	1,173,544
Total comprehensive income	-	-	-	1,173,544	1,173,544
Dividends	-	-	-	(1,000,000)	(1,000,000)
At 31 October 2018	<u>1,233,905</u>	<u>210,426</u>	<u>48</u>	<u>2,169,863</u>	<u>3,614,242</u>

The notes on pages 17 to 33 form an integral part of these financial statements.

Imperial Civil Enforcement Solutions Limited

Statement of Cash Flows for the Year Ended 31 October 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		887,798	1,173,544
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	470,130	435,528
Finance income	5	(5,013)	(4,136)
Finance costs	6	-	37
Income tax expense	10	(32,284)	97,597
		<u>1,320,631</u>	<u>1,702,570</u>
Working capital adjustments			
Increase in stocks	14	(18,297)	(7,398)
Decrease/(increase) in trade debtors	15	416,692	(139,912)
Increase in trade creditors	17	322,114	74,907
Decrease in provisions	18	(139,960)	(10,040)
Increase in deferred income, including government grants		<u>30,260</u>	<u>149,592</u>
Cash generated from operations		1,931,440	1,769,719
Income taxes paid	10	<u>(96,453)</u>	<u>(73,398)</u>
Net cash flow from operating activities		<u>1,834,987</u>	<u>1,696,321</u>
Cash flows from investing activities			
Interest received	5	5,013	4,136
Acquisitions of tangible assets		(173,435)	(184,050)
Acquisition of intangible assets	11	<u>(471,022)</u>	<u>(327,772)</u>
Net cash flows from investing activities		<u>(639,444)</u>	<u>(507,686)</u>
Cash flows from financing activities			
Interest paid	6	-	(37)
Dividends paid	23	<u>-</u>	<u>(1,000,000)</u>
Net cash flows from financing activities		<u>-</u>	<u>(1,000,037)</u>
Net increase in cash and cash equivalents		1,195,543	188,598
Cash and cash equivalents at 1 November		<u>3,974,756</u>	<u>3,786,158</u>
Cash and cash equivalents at 31 October		<u><u>5,170,299</u></u>	<u><u>3,974,756</u></u>

The notes on pages 17 to 33 form an integral part of these financial statements.

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

7 Hill Street
Bristol
Avon
BS1 5PU

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared under the historical cost convention and in accordance with FRS 105 'The Financial Reporting Standard applicable to the Micro-entities Regime'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in the financial statements are rounded to the nearest £1.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. In making our assessment the directors have reviewed the balance sheet, the likely future cash flows of the business and have considered the facilities and cash that are in place at this point in time. In light of the situation arising in the UK and globally in respect of Covid-19 and the measures taken by the UK Government to contain the virus, the day to day operations of the business have been disrupted, with the extent of this disruption on our customers and the timescale currently uncertain. We are however working through our customer orders and managing a safe site. The full impact of Covid-19 on the business and general economy is difficult to quantify at this time, however the company has reviewed its cash flow requirements for the coming months and together with the Group support the directors have a reasonable expectation that they can continue in business and on that basis feel it is appropriate to prepare the financial statements on a going concern basis.

Exemption from preparing group accounts

The financial statements contain information about Imperial Civil Enforcement Solutions Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent Imperial Business Systems Limited, a company incorporated in England and Wales.

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

Judgements & key sources of estimation uncertainty

In the application of the company'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 also in future periods where the revision affects both current and future periods.

Imperial Civil Enforcement Solutions Limited considers that the useful economic lives of intangible and tangible assets, their residual values, and their impairment reviews, are the most significant areas requiring management judgement. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other relevant factors.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts. Turnover arises solely in the UK.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated provisions for depreciation and impairment.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

On the disposal of a tangible asset, its cost and any accumulated provisions for depreciation and impairment are removed from the balance sheet, aggregated, charged to the profit and loss account, and offset against any proceeds of disposal.

Depreciation

Depreciation is charged against each tangible asset so as to write off its individual cost less estimated residual value, (other than land and properties under construction) over its estimated useful life, as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	10% to 25% straight line
Computer and office equipment	25% to 33% straight line

Intangible assets

Intangible assets represent software development costs. Expenditure on software development is capitalised on a project-by-project basis as permitted by FRS 102, provided its future recoverability can be assessed with reasonable certainty.

Intangible assets are stated in the balance sheet at cost, less any subsequent accumulated provisions for amortisation and impairment.

On the expiry of an intangible asset, its cost and any accumulated provisions for amortisation and impairment are removed from the balance sheet, aggregated, and charged to the profit and loss account.

Capitalised software development costs comprise labour and materials costs expended during the year in the course of maintaining the company's software and systems at the forefront of developments in information technology and hence also the cost of maintaining the company's position as a market leader.

Given the incessant pace of technological change, the directors consider that these development costs enjoy a useful economic life of three years; accordingly an amortisation policy of 33.3% straight line has been selected in respect of these assets.

Amortisation

Amortisation is charged against each intangible assets so as to write off its individual cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Software development costs	33.3% straight line

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less any selling expenses. Cost is determined using the first-in, first-out (FIFO) method.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the company. They are items that are material either because of their size or their nature, or that are nonrecurring are considered as exceptional items and are presented within the line items to which they best relate.

3 Revenue

The analysis of the company's revenue for the year from continuing operations in the UK is as follows:

	2019 £	2018 £
Sale of goods	164,786	133,790
Rendering of services	8,682,411	8,759,980
	<u>8,847,197</u>	<u>8,893,770</u>

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

4 Operating profit

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	109,954	85,077
Amortisation expense	360,176	350,451
Operating lease expense - property	192,832	145,508
Operating lease expense - plant and machinery	<u>41,985</u>	<u>28,031</u>

5 Other interest receivable and similar income

	2019 £	2018 £
Interest income on bank deposits	<u>5,013</u>	<u>4,136</u>

6 Interest payable and similar expenses

	2019 £	2018 £
Interest expense on other finance liabilities	<u>-</u>	<u>37</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £	2018 £
Wages and salaries	2,975,074	3,173,488
Social security costs	354,385	294,652
Other short-term employee benefits	4,586	4,451
Pension costs, defined contribution scheme	88,590	79,289
Other employee expense	<u>48,898</u>	<u>66,146</u>
	<u>3,471,533</u>	<u>3,618,026</u>

Staff costs exclude capitalised payroll costs relating to project development and amounting to £489,653 (2018: £514,084).

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

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

	2019 No.	2018 No.
Directors	3	3
Managerial and clerical staff	96	95
	<u>99</u>	<u>98</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration	296,091	332,332
Contributions paid to money purchase schemes	5,054	4,935
Exceptional Directors Remuneration	65,905	-
	<u>367,050</u>	<u>337,267</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2019 No.	2018 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director:

	2019 £	2018 £
Remuneration	262,812	299,130
Company contributions to money purchase pension schemes	5,053	4,935
Exceptional Directors Remuneration	<u>65,905</u>	<u>-</u>

9 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	<u>16,750</u>	<u>16,750</u>
Other fees to auditors		
All other non-audit services	<u>15,359</u>	<u>16,913</u>

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

10 Taxation

Tax charged/(credited) in the income statement

	2019 £	2018 £
Current taxation		
UK corporation tax	-	96,453
UK corporation tax adjustment to prior periods	(81,282)	-
	(81,282)	96,453
Deferred taxation		
Arising from origination and reversal of timing differences	48,998	1,144
Tax (receipt)/expense in the income statement	(32,284)	97,597

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit before tax	855,514	1,271,141
Corporation tax at standard rate	162,548	241,517
Effect of expense not deductible in determining taxable profit (tax loss)	2,830	4,098
Deferred tax expense relating to changes in tax rates or laws	48,998	1,144
Tax decrease from effect of capital allowances and depreciation	(13,199)	(25,670)
Tax decrease from effect of adjustment in research and development tax credit	(233,919)	(124,154)
Other tax effects for reconciliation between accounting profit and tax expense (income)	458	662
Total tax (credit)/charge	(32,284)	97,597

The main rate of UK Corporation Tax was 19% from 1 April 2019 all through the period under review.

Deferred tax

Deferred tax assets and liabilities

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

2019	Liability £
Accelerated tax relief on fixed assets	174,280
Corporation tax loss carried forward	-
	<u>174,280</u>

2018	Liability £
Accelerated tax relief on fixed assets	125,282
Corporation tax loss carried forward	-
	<u>125,282</u>

Tax relating to items recognised in other comprehensive income or equity

	2019 £	2018 £
Current tax related to items recognised as items of equity	-	96,453
Deferred tax related to items recognised as items of equity	<u>(174,280)</u>	<u>(125,282)</u>

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

Factors that may affect future tax charges

The main rate of UK Corporation Tax is legislated to remain at 19%.

Special circumstances affecting overall tax charge or credit for the period or future periods

The company's capitalised research and development expenditure now attracts immediate and enhanced relief from UK Corporation Tax. Under FRS 102, this gives rise to a provision for Deferred Taxation against the capitalised and immediately relieved expenditure until such time as that expenditure is amortised to profit and loss account. This gives rise to the provision for Deferred Taxation arising in the current period of £174,280.

11 Intangible assets

	Software and infrastructure development £
Cost or valuation	
At 1 November 2018	6,978,895
Additions internally developed	<u>471,022</u>
At 31 October 2019	<u>7,449,917</u>
Amortisation	
At 1 November 2018	6,442,049
Amortisation charge	<u>360,176</u>
At 31 October 2019	<u>6,802,225</u>
Carrying amount	
At 31 October 2019	<u>647,692</u>
At 31 October 2018	<u>536,846</u>

The aggregate amount of research and development expenditure recognised as an expense during the period is £489,653 (2018 - £514,084).

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

12 Tangible assets

	Fixtures, fittings and computer equipment £	Total £
Cost or valuation		
At 1 November 2018	1,098,691	1,098,691
Additions	<u>173,435</u>	<u>173,435</u>
At 31 October 2019	<u>1,272,126</u>	<u>1,272,126</u>
Depreciation		
At 1 November 2018	865,328	865,328
Charge for the year	<u>109,954</u>	<u>109,954</u>
At 31 October 2019	<u>975,282</u>	<u>975,282</u>
Carrying amount		
At 31 October 2019	<u>296,844</u>	<u>296,844</u>
At 31 October 2018	<u>233,363</u>	<u>233,363</u>

13 Investments

	2019 £	2018 £
Investments in subsidiaries	<u>416,881</u>	<u>416,881</u>
Subsidiaries		£
Cost or valuation		
At 1 November 2018		1,370,499
Provision		
At 1 November 2018		<u>953,618</u>
Carrying amount		
At 31 October 2019		<u>416,881</u>
At 31 October 2018		<u>416,881</u>

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Compex Development & Marketing Limited	7 Hill Street Bristol BS1 5PU England & Wales	Ordinary	100%	100%

Subsidiary undertakings

Compex Development & Marketing Limited

The principal activity of Compex Development & Marketing Limited is that of a dormant company..

14 Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>38,772</u>	<u>20,475</u>

15 Debtors

	Note	2019 £	2018 £
Trade debtors		1,170,296	1,176,714
Amounts owed by related parties	25	252,990	596,826
Other debtors		100,686	156,352
Prepayments		359,780	339,133
Accrued income		48,486	79,905
Income tax asset	10	<u>81,282</u>	<u>-</u>
Total current trade and other debtors		<u>2,013,520</u>	<u>2,348,930</u>

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

16 Cash and cash equivalents

	2019 £	2018 £
Cash on hand	525	491
Cash at bank	5,169,774	3,974,265
	<u>5,170,299</u>	<u>3,974,756</u>

17 Creditors

	Note	2019 £	2018 £
Due within one year			
Trade creditors		184,362	310,404
Social security and other taxes		300,119	304,366
Outstanding defined contribution pension costs		17,338	14,925
Other payables		294,837	337,478
Accrued expenses		1,044,530	551,899
Income tax liability	10	-	-96,453
Deferred income		1,649,621	1,619,361
		<u>3,490,807</u>	<u>3,234,886</u>

Due after one year

Amounts owed to group undertakings	<u>416,881</u>	<u>416,881</u>
Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.		

18 Provisions for liabilities

	Deferred tax £	Other provisions £	Total £
At 1 November 2018	125,282	139,960	265,242
Additional provisions	48,998	-	48,998
Unused provision reversed	-	(139,960)	(139,960)
At 31 October 2019	<u>174,280</u>	<u>-</u>	<u>174,280</u>

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

The company's capitalised research and development expenditure now attracts immediate and enhanced relief from UK Corporation Tax, under FRS102, this gives rise to a provision for deferred taxation against the capitalised and immediately relieved expenditure until such time as that expenditure is amortised to profit and loss account. This gives rise to the provision for deferred taxation arising in the current period of £174,280.

19 Pension and other schemes

Defined contribution pension scheme

The company operates a number of defined contribution pension schemes held with recognised providers on behalf of its employees. The pension cost charge for the year represents contributions payable by the company on behalf of its employees to the schemes and amounted to £88,590 (2018 - £79,289).

Contributions totalling £17,338 (2018 - £14,925) were payable to the schemes at the end of the year and are included in creditors.

20 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,233,905</u>	<u>1,233,905</u>	<u>1,233,905</u>	<u>1,233,905</u>

Rights, preferences and restrictions

The ordinary shares of £1 each have the following rights, preferences and restrictions:

- to attend and vote at all general meetings of the company;
- to receive dividends as may be declared from time to time at the discretion of the board of directors;
- to participate in a capital distribution in the event of a sale or a winding-up.

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

21 Reserves

The share premium reserve is the consideration received for shares issued above their nominal value net of transaction costs.

The capital redemption reserve is for the buying back of shares.

22 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	186,333	207,300
Later than one year and not later than five years	649,542	712,950
Later than five years	117,500	253,800
	<u>953,375</u>	<u>1,174,050</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £197,000 (2018 - £181,050).

23 Dividends

Interim dividends paid

	2019 £	2018 £
Interim dividend of £Nil (2018 - £1) per each Ordinary shares	<u>-</u>	<u>1,000,000</u>

24 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2018 - £98,500).

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

25 Related party transactions

The company has taken advantage of the exemption available within FRS 102 section 33.1A not to disclose transactions with wholly owned group members. See note 8 for disclosure of the directors' remuneration and key management compensation.

26 Parent and ultimate parent undertaking

Until 31 October 2019 the ultimate parent company was Imperial Business Systems Limited. On this date Imperial Business Systems Limited were purchased by Volaris Group UK Holdco Ltd, who are part of a larger group of companies.

The company's immediate parent is Imperial Business Systems Limited, incorporated in England & Wales.

The ultimate parent is Constellation Software Inc., incorporated in Canada.

The most senior parent entity producing publicly available financial statements is Constellation Software Inc.. These financial statements are available upon request from Rivington House, Drumhead Road, Chorley, Lancashire, PR6 7BX

The parent of the smallest group in which these financial statements are consolidated is Imperial Business Systems Limited, incorporated in England & Wales.

The address of Imperial Business Systems Limited is:
7 Hill Street
Bristol
BS1 5PU

Imperial Civil Enforcement Solutions Limited

Notes to the Financial Statements for the Year Ended 31 October 2019

27 Exceptional Items

Following the sale of the group it was agreed that additional payments would be made to 36 members of staff totalling £630,000 in recognition of their support to the former Directors, this amount was paid by the company in November 2019.

The amounts paid to the employees totalled £487,698, one Director was paid £65,905 and National Insurance contributions totalled £76,397. This expenditure was accrued at the year end and is included in accrued expenses in note 17.