

Company Registration No. 03515275 (England and Wales)

**EURO PARKING COLLECTION PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

# EURO PARKING COLLECTION PLC

## COMPANY INFORMATION

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<b>Directors</b>	P Chiodo R Collins D Roberts
<b>Secretary</b>	P Assarsson
<b>Company number</b>	03515275
<b>Registered office</b>	Unit 6 Shepperton House 83-93 Shepperton Road London N1 3DF
<b>Auditor</b>	PK Audit LLP 1 Parkshot Richmond Surrey TW9 2RD

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# EURO PARKING COLLECTION PLC

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# EURO PARKING COLLECTION PLC

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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

### **Promoting the success of the company**

#### *Our success*

Euro Parking Collection Plc and its subsidiaries, are part of Verra Mobility Corporation, which is a leading provider of smart mobility technology solutions and services throughout the United States, Canada and Europe.

The group has continued to focus on winning new projects appropriate to the group's risks and rewards, delivering services to clients' expectations, and continuing to develop software to improve the services provided. The group has considerable financial resources, with substantial working capital cash balances to ensure the development of the long term plans and projects in the course of seeking and delivering innovative solutions for clients.

#### *Our employees, our clients, our suppliers*

The directors recognise that employees are fundamental to the group's success and are committed to the involvement and development of employees at all levels. We will continue to invest in and develop our employees. Our aim is to be an employer of their choice, to provide our employees with challenges that define and continue their careers.

We constantly are trying to develop long term relationships with our suppliers without whom the group would not be where it is today.

Our commitment to delivering an outstanding service to our clients has resulted in long-standing client relationships. Those long-standing relationships and "know our clients' needs" helps us to improve our technologies and solutions in order to deliver exceptional service. The quality, reliability, efficacy of solution, pricing strategy, the depth of products and services offered, the customer experience, the technical expertise and security of our services makes our group an important competitor in this sector.

#### *Be a responsible business*

We understand the impact we have on our environment. We are trying hard to be a responsible business and to control our environment footprint, investing in responsibly sourced materials, consistently making efforts to recycle and reuse.

We serve as a value-added partner to local government agencies and private companies.

We are subject to various local laws and regulations, administrative practices regulating matters such as data privacy, photo enforcement, consumer protection, procurement, licensing requirements, equal employment, the national minimum wage and the environment, amongst others.

#### *Challenging economic conditions*

Despite the successes of 2019 and earlier years we are currently facing challenging economic times due to Covid 19 which is contributing to market uncertainty. The group is closely monitoring its impact on the business. We have implemented a plan to continue to be able to provide outstanding service. The ability to work remotely leaves the group in a healthy and secure position. Therefore we can continue to deliver the same level of the service to our clients.

With regard to Brexit, the group has taken action over the last few years to ensure appropriate arrangements have been made throughout our supply chain to prepare for a number of potential risks.

### **Fair review of the business**

The directors consider the Group's trading result and financial position to be satisfactory. The consolidated profit for the year before taxation amounted to £3.3m (2018: £1.1m). The company continues to operate a high-quality service to its customers. The board have filtered through control systems and an ethos across the company to work towards our mission of delivering an outstanding service each and every time.

# EURO PARKING COLLECTION PLC

## STRATEGIC REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2019*

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### **Principal risks and uncertainties**

The Group carefully considers its principal risks and manages these risks by continual monitoring and assessment, policy-setting, and compliance with all legal, statutory, and fiduciary obligations. The group's operations expose it to various risks, including financial risk, operational risk, strategic risk, compliance risk and technology risk. Policies and safeguards are set to limit such risks to negligible levels. The main principal risks can be identified as follows:

#### **Operational Risk**

Our customers include large corporations and government agencies who depend upon our operational efficiency, non-interruption of service, and accuracy and security of information. We devote significant resources to our systems and data, and to prevent, detect and respond to data security incidents, in each case that we believe are reasonable and appropriate.

#### **Strategic Risk**

In order to maintain risk at a low level, we conduct regular competitor analysis, set clear goals and key performance indicators (KPIs) and set tolerance levels before action is taken to identify potential risks in advance.

#### **Compliance Risk**

Our group is governed by legislation and regulations. In order to minimalism the risk we are ensuring that we have specific rules in place to manage and enforce business compliance. We provide staff training and create a culture of compliance within our business. We regularly review our processes put in place to monitor compliance.

#### **Technology Risk**

We operate in dynamic industries that are characterised by rapid technological change, frequent product and service innovation and evolving industry standards. Our future success will depend on our ability to adapt and innovate to keep up with technological developments. As a result, we need to invest significant resources in research and development.

#### **Financial Risk**

Policies are set to limit such risks to negligible levels, which include: financial planning and projection; robust reporting and analytics to monitor success, putting credit control processes in place, and credit checking prospective clients.

### **Development and performance**

The Group has continued its expansion within the European market. During the year, the Group has increased its customer base and further strengthened its position.

The investment in new enforcement processes in countries not previously entered by the Group has continued. The investment in the Group's multilingual and multicurrency IT platform has also continued. The system, combined with the overall experience of the Group's personnel, provide a cost-efficient service for the cross-border collection of traffic related contraventions irrespective of which country the issuing authority is based in and irrespective of the country to which the notification is made.

### **Key performance indicators**

The directors have identified those principal risks and uncertainties faced by the company and have taken steps to minimise their impact on its ongoing operational and financial affairs. As part of this process, the directors monitor the company's ongoing financial performance against the various key performance indicators such as the number of received cases, which has increased by 16% during the 2019 financial year compared to the 2018 financial year.

On behalf of the board

P Chiodo

**Director**

29 June 2020

# EURO PARKING COLLECTION PLC

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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

### **Principal activities**

The principal activity of the Group during the year was that of providing services to governmental, public, civic and police authorities relating to the enforcement of payments of traffic contraventions issued to foreign registered vehicles.

### **Directors**

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

P Chiodo  
R Collins  
D Roberts

### **Results and dividends**

The results for the year are set out on page 8.

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

### **Financial instruments**

#### ***Treasury operations and financial instruments***

The Group's capital is maintained on a high level. As such, the overall liquidity risk is seen as low. In addition, the Group has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations.

Further information regarding the Group's financial instruments, related policies, consideration of its liquidity and other financing risks is included in the notes to the financial statements.

#### ***Liquidity risk***

The Group manages its cash in order to maximise interest income, whilst ensuring the Group has sufficient liquid resources to meet the operating needs of the business.

#### ***Interest rate risk***

The Group does not have any loans therefore its interest rate risk is limited.

#### ***Foreign currency risk***

The Group's principal foreign currency exposures arise from its normal activities. Group policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

#### ***Credit risk***

Investments of cash surpluses are made through banks which must fulfil credit rating criteria approved by the Board. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

### **Research and development**

The Group has invested £333,714 (2018: £82,737) in research and development activities on projects in the course of seeking and delivering innovative solutions for our clients

### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Group continues and that the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

# EURO PARKING COLLECTION PLC

## DIRECTORS' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2019*

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### Employee involvement

The Group's policy is to consult and discuss with employees at meetings matters likely to affect employees' interests. Information about matters of concern to employees is given through reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance. The Parent Group is operating a group share scheme at present encouraging the involvement of employees in the Group's performance.

### Business relationships

The Strategic Report contains details of our business relationships with our customers, employees and suppliers.

### Post reporting date events

Since the post year end development and global spread of COVID-19, the Group is closely monitoring the impact on the business and financial markets. The Group has considerable financial resources, with working capital cash balances net of overdrafts of £10.5m (2018: £7.3m) as at 31 December 2019. In addition the Group has long-term contracts and a diverse range of customers and suppliers across its business. After making appropriate enquiries the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies in the notes to the financial statements.

### Future developments

The Strategic Report contains details of likely future developments within the Group.

### Auditor

In accordance with the company's articles, a resolution proposing that PK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

### Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **EURO PARKING COLLECTION PLC**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

P Chiodo  
**Director**

R Collins  
**Director**

D Roberts  
**Director**

29 June 2020



# EURO PARKING COLLECTION PLC

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF EURO PARKING COLLECTION PLC

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#### Opinion

We have audited the financial statements of Euro Parking Collection PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of its profits 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 group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The 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.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

# **EURO PARKING COLLECTION PLC**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF EURO PARKING COLLECTION PLC**

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#### **Matters on which we are required to report by exception**

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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

**John Waller (Senior Statutory Auditor)**  
for and on behalf of PK Audit LLP

30 June 2020

**Chartered Accountants**  
**Statutory Auditor**

1 Parkshot  
Richmond  
Surrey  
TW9 2RD

## EURO PARKING COLLECTION PLC

### GROUP PROFIT AND LOSS ACCOUNT

*FOR THE YEAR ENDED 31 DECEMBER 2019*

		2019	2018
	Notes	£	£
<b>Turnover</b>	<b>3</b>	10,888,584	9,864,171
Cost of sales		(6,033,955)	(4,555,732)
<b>Gross profit</b>		<u>4,854,629</u>	<u>5,308,439</u>
Administrative expenses		(1,540,510)	(4,229,716)
<b>Operating profit</b>	<b>4</b>	<u>3,314,119</u>	<u>1,078,723</u>
Interest receivable and similar income	<b>7</b>	36,581	26,601
Interest payable and similar expenses	<b>8</b>	(1,224)	(24)
<b>Profit before taxation</b>		<u>3,349,476</u>	<u>1,105,300</u>
Tax on profit	<b>9</b>	(700,734)	(236,497)
<b>Profit for the financial year</b>	<b>23</b>	<u><u>2,648,742</u></u>	<u><u>868,803</u></u>

Profit for the financial year is all attributable to the owners of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## EURO PARKING COLLECTION PLC

### GROUP STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 DECEMBER 2019*

	2019	2018
	£	£
Profit for the year	2,648,742	868,803
Other comprehensive income		
Currency translation differences	18,230	3,541
Total comprehensive income for the year	<u>2,666,972</u>	<u>872,344</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# EURO PARKING COLLECTION PLC

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	11		316,554		-
Tangible assets	12		1,441		96,247
			<u>317,995</u>		<u>96,247</u>
<b>Current assets</b>					
Debtors	15	2,123,096		3,055,897	
Cash at bank and in hand		10,483,708		7,280,864	
		<u>12,606,804</u>		<u>10,336,761</u>	
<b>Creditors: amounts falling due within one year</b>	16	(6,722,708)		(7,155,894)	
<b>Net current assets</b>			<u>5,884,096</u>		<u>3,180,867</u>
<b>Total assets less current liabilities</b>			<u>6,202,091</u>		<u>3,277,114</u>
<b>Provisions for liabilities</b>	17		<u>3,230</u>		<u>(14,014)</u>
<b>Net assets</b>			<u><u>6,205,321</u></u>		<u><u>3,263,100</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		1,011,092		1,011,092
Share premium account	21		875,357		875,357
Profit and loss reserves	23		<u>4,318,872</u>		<u>1,376,651</u>
<b>Total equity</b>			<u><u>6,205,321</u></u>		<u><u>3,263,100</u></u>

The financial statements were approved by the board of directors and authorised for issue on 29 June 2020 and are signed on its behalf by:

P Chiodo  
Director

R Collins  
Director

D Roberts  
Director

# EURO PARKING COLLECTION PLC

## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	11		316,554		-
Tangible assets	12		1,441		96,247
Investments	13		183,768		16,371
			<u>501,763</u>		<u>112,618</u>
<b>Current assets</b>					
Debtors	15	2,766,542		2,265,943	
Cash at bank and in hand		10,206,383		7,155,307	
		<u>12,972,925</u>		<u>9,421,250</u>	
<b>Creditors: amounts falling due within one year</b>	16	(7,775,233)		(6,473,583)	
<b>Net current assets</b>			<u>5,197,692</u>		<u>2,947,667</u>
<b>Total assets less current liabilities</b>			<u>5,699,455</u>		<u>3,060,285</u>
<b>Provisions for liabilities</b>	17		3,230		(14,014)
<b>Net assets</b>			<u><u>5,702,685</u></u>		<u><u>3,046,271</u></u>
<b>Capital and reserves</b>					
Called up share capital	20		1,011,092		1,011,092
Share premium account	21		875,357		875,357
Profit and loss reserves	23		3,816,236		1,159,822
<b>Total equity</b>			<u><u>5,702,685</u></u>		<u><u>3,046,271</u></u>

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £2,381,165 (2018 - £551,242).

The financial statements were approved by the board of directors and authorised for issue on 29 June 2020 and are signed on its behalf by:

P Chiodo  
Director

R Collins  
Director

D Roberts  
Director

Company Registration No. 03515275

# EURO PARKING COLLECTION PLC

## GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 January 2018</b>		1,011,092	875,357	4,138,542	6,024,991
<b>Year ended 31 December 2018:</b>					
Profit for the year		-	-	868,803	868,803
Other comprehensive income:					
Currency translation differences		-	-	3,541	3,541
Total comprehensive income for the year		-	-	872,344	872,344
Dividends	10	-	-	(3,634,235)	(3,634,235)
<b>Balance at 31 December 2018</b>		1,011,092	875,357	1,376,651	3,263,100
<b>Year ended 31 December 2019:</b>					
Profit for the year		-	-	2,648,742	2,648,742
Other comprehensive income:					
Currency translation differences		-	-	18,230	18,230
Total comprehensive income for the year		-	-	2,666,972	2,666,972
Credit to equity for equity settled share-based payments	19	-	-	275,249	275,249
<b>Balance at 31 December 2019</b>		1,011,092	875,357	4,318,872	6,205,321

# EURO PARKING COLLECTION PLC

## COMPANY STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 31 DECEMBER 2019*

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
<b>Balance at 1 January 2018</b>		1,011,092	875,357	4,242,815	6,129,264
<b>Year ended 31 December 2018:</b>					
Profit and total comprehensive income for the year		-	-	551,242	551,242
Dividends	<b>10</b>	-	-	(3,634,235)	(3,634,235)
<b>Balance at 31 December 2018</b>		1,011,092	875,357	1,159,822	3,046,271
<b>Year ended 31 December 2019:</b>					
Profit and total comprehensive income for the year		-	-	2,381,165	2,381,165
Credit to equity for equity settled share-based payments	<b>19</b>	-	-	275,249	275,249
<b>Balance at 31 December 2019</b>		1,011,092	875,357	3,816,236	5,702,685



# EURO PARKING COLLECTION PLC

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	29	3,793,081		4,148,766	
Interest paid		(1,224)		(24)	
Income taxes paid		(310,110)		(470,481)	
<b>Net cash inflow from operating activities</b>		3,481,747		3,678,261	
<b>Investing activities</b>					
Purchase of intangible assets		(333,714)		-	
Purchase of tangible fixed assets		-		(82,737)	
Interest received		36,581		26,601	
<b>Net cash used in investing activities</b>		(297,133)		(56,136)	
<b>Financing activities</b>					
Dividends paid to equity shareholders		-		(3,634,235)	
<b>Net cash used in financing activities</b>		-		(3,634,235)	
<b>Net increase/(decrease) in cash and cash equivalents</b>		3,184,614		(12,110)	
Cash and cash equivalents at beginning of year		7,280,864		7,289,433	
Effect of foreign exchange rates		18,230		3,541	
<b>Cash and cash equivalents at end of year</b>		10,483,708		7,280,864	

# EURO PARKING COLLECTION PLC

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	30	3,719,926		4,041,896	
Interest paid		(1,190)		-	
Income taxes paid		(201,955)		(367,437)	
<b>Net cash inflow from operating activities</b>		<u>3,516,781</u>		<u>3,674,459</u>	
<b>Investing activities</b>					
Purchase of intangible assets		(333,714)		-	
Purchase of tangible fixed assets		-		(82,737)	
Investment in subsidiaries		(167,397)		-	
Interest received		<u>35,406</u>		<u>26,327</u>	
<b>Net cash used in investing activities</b>			(465,705)		(56,410)
<b>Financing activities</b>					
Dividends paid to equity shareholders		<u>-</u>		<u>(3,634,235)</u>	
<b>Net cash used in financing activities</b>			-		(3,634,235)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>3,051,076</u>		<u>(16,186)</u>	
Cash and cash equivalents at beginning of year		<u>7,155,307</u>		<u>7,171,493</u>	
<b>Cash and cash equivalents at end of year</b>		<u><u>10,206,383</u></u>		<u><u>7,155,307</u></u>	

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **1 Accounting policies**

#### **Company information**

Euro Parking Collection PLC ("the company") is a public limited company domiciled and incorporated in England and Wales. The registered office and the trading address is Unit 6 Shepperton House, 83-93 Shepperton Road, London, N1 3DF.

The group consists of Euro Parking Collection PLC and all of its subsidiaries.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

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

The consolidated financial statements incorporate those of Euro Parking Collection PLC and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

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

Contractum Limited and EPC Hungary Kft has been included in the group financial statements.

#### **1.3 Going concern**

The directors have carried out a detailed review of the group's financial position including a review of cash flows, forecasts taking into account the increasingly broad effects of COVID-19 as a result of its negative impact on the global economy and major financial markets.

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.

#### **1.4 Turnover**

The company collects monies for road tolls and cross border traffic related charges on behalf of its client. Turnover represents the company's agreed share of such monies collected, and is stated net of value added tax. Revenue recognition takes place only when the monies are collected on behalf of the clients, and based on the terms agreed with those clients.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

#### 1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Software	33.33% on cost
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#### 1.6 Tangible fixed assets

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

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

Fixtures, fittings & equipment	33.33% on cost
Computer equipment	33.33% on cost

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

#### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.8 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Cash at bank and in hand

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

#### 1.10 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

#### *Derecognition of financial assets*

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

#### *Classification of financial liabilities*

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

#### *Basic financial liabilities*

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### *Derecognition of financial liabilities*

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

### 1.11 Equity instruments

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

### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.13 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

#### **1.14 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.15 Share-based payments**

The company participates in a share-based payment arrangement granted to its employees and employees of its subsidiaries. The company has elected to recognise and measure its share-based payment expense on the basis of a reasonable allocation of the expense for the group recognised in its consolidated accounts. The directors consider the number of unvested options granted to the company's employees compared to the total unvested options granted under the group plan to be a reasonable basis for allocating the expense.

The expense in relation to options over the company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

In the case of options granted, fair value is measured by a Black-Scholes pricing model.

#### **1.16 Leases**

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

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 2 Judgements and key sources of estimation uncertainty

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

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

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019	2018
	£	£
<b>Turnover analysed by class of business</b>		
Primary activity per directors report	10,888,584	9,864,171
	<u>          </u>	<u>          </u>
	2019	2018
	£	£
<b>Other significant revenue</b>		
Interest income	36,581	26,601
	<u>          </u>	<u>          </u>
	2019	2018
	£	£
<b>Turnover analysed by geographical market</b>		
Europe	10,888,584	9,864,171
	<u>          </u>	<u>          </u>

The group has supplied markets that, in the opinion of the directors, did not differ significantly from each other therefore the disclosure is not required.

### 4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	17,453	44,948
Amortisation of intangible assets	94,513	5,384
Share-based payments	275,249	-
Operating lease charges	86,507	78,836
	<u>          </u>	<u>          </u>



# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 5 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	12,760	12,530

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Management and administration	39	39	34	33

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	1,522,178	3,571,329	1,430,316	3,504,905
Social security costs	179,908	428,440	163,450	414,947
Pension costs	33,074	32,696	33,074	32,696
	1,735,160	4,032,465	1,626,840	3,952,548

### 7 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	34,668	25,953
Other interest income	1,913	648
Total income	36,581	26,601

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	34,668	25,953
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# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 8 Interest payable and similar expenses

	2019	2018
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	-	9
Other interest on financial liabilities	1,190	-
	<u>1,190</u>	<u>9</u>
<b>Other finance costs:</b>		
Other interest	34	15
	<u>34</u>	<u>15</u>
Total finance costs	<u>1,224</u>	<u>24</u>

### 9 Taxation

	2019	2018
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	711,050	215,036
Adjustments in respect of prior periods	14,697	-
	<u>725,747</u>	<u>215,036</u>
Total UK current tax	725,747	215,036
Foreign current tax on profits for the current period	(7,769)	14,701
	<u>(7,769)</u>	<u>14,701</u>
Total current tax	<u>717,978</u>	<u>229,737</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(17,244)	6,760
	<u>(17,244)</u>	<u>6,760</u>
Total tax charge	<u>700,734</u>	<u>236,497</u>

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 9 Taxation

(Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2019 £	2018 £
Profit before taxation	3,349,476	1,105,300
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	636,400	210,007
Tax effect of expenses that are not deductible in determining taxable profit	1,003	10,497
Unutilised tax losses carried forward	-	11,189
Change in unrecognised deferred tax assets	(17,244)	6,760
Permanent capital allowances in excess of depreciation	2,547	(16,658)
Other permanent differences	152	64
Share based payment charge	52,297	-
Effect of overseas tax rates	10,630	-
Under/(over) provided in prior years	14,697	-
Other tax adjustments	252	14,638
Taxation charge	700,734	236,497

### 10 Dividends

Recognised as distributions to equity holders:

	2019 Per share £	2018 Per share £	2019 Total £	2018 Total £
<b>Ordinary GBP1 shares</b>				
Interim paid	-	972,548.00	-	972,548
<b>Ordinary GBP0.25 shares</b>				
Interim paid	-	2,661,687.00	-	2,661,687
<b>Total dividends</b>				
Interim paid			-	3,634,235

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 11 Intangible fixed assets

<b>Group</b>	<b>Software</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2019	-
Additions	333,714
Transfers	82,737
	<hr/>
At 31 December 2019	416,451
	<hr/>
<b>Amortisation and impairment</b>	
At 1 January 2019	-
Amortisation charged for the year	94,513
Transfers	5,384
	<hr/>
At 31 December 2019	99,897
	<hr/>
<b>Carrying amount</b>	
At 31 December 2019	316,554
	<hr/> <hr/>
At 31 December 2018	-
	<hr/> <hr/>
<b>Company</b>	<b>Software</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2019	-
Additions	333,714
Transfers	82,737
	<hr/>
At 31 December 2019	416,451
	<hr/>
<b>Amortisation and impairment</b>	
At 1 January 2019	-
Amortisation charged for the year	94,513
Transfers	5,384
	<hr/>
At 31 December 2019	99,897
	<hr/>
<b>Carrying amount</b>	
At 31 December 2019	316,554
	<hr/> <hr/>
At 31 December 2018	-
	<hr/> <hr/>

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 12 Tangible fixed assets

Group	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 2019	29,719	731,932	761,651
Disposals	(1,400)	(107,699)	(109,099)
Transfers	-	(82,737)	(82,737)
	<u>28,319</u>	<u>541,496</u>	<u>569,815</u>
At 31 December 2019	28,319	541,496	569,815
<b>Depreciation and impairment</b>			
At 1 January 2019	29,719	635,685	665,404
Depreciation charged in the year	-	17,453	17,453
Eliminated in respect of disposals	(1,400)	(107,699)	(109,099)
Transfers	-	(5,384)	(5,384)
	<u>28,319</u>	<u>540,055</u>	<u>568,374</u>
At 31 December 2019	28,319	540,055	568,374
<b>Carrying amount</b>			
At 31 December 2019	-	1,441	1,441
	<u>-</u>	<u>1,441</u>	<u>1,441</u>
At 31 December 2018	-	96,247	96,247
	<u>-</u>	<u>96,247</u>	<u>96,247</u>
<b>Company</b>			
	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 2019	28,981	711,797	740,778
Disposals	(1,400)	(107,699)	(109,099)
Transfers	-	(82,737)	(82,737)
	<u>27,581</u>	<u>521,361</u>	<u>548,942</u>
At 31 December 2019	27,581	521,361	548,942
<b>Depreciation and impairment</b>			
At 1 January 2019	28,981	615,550	644,531
Depreciation charged in the year	-	17,453	17,453
Eliminated in respect of disposals	(1,400)	(107,699)	(109,099)
Transfers	-	(5,384)	(5,384)
	<u>27,581</u>	<u>519,920</u>	<u>547,501</u>
At 31 December 2019	27,581	519,920	547,501
<b>Carrying amount</b>			
At 31 December 2019	-	1,441	1,441
	<u>-</u>	<u>1,441</u>	<u>1,441</u>
At 31 December 2018	-	96,247	96,247
	<u>-</u>	<u>96,247</u>	<u>96,247</u>

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 13 Fixed asset investments

		Group 2019	2018	Company 2019	2018
	Notes	£	£	£	£
Investments in subsidiaries	24	-	-	183,768	16,371

#### Movements in fixed asset investments

Company	Shares in group undertakings
	£
<b>Cost or valuation</b>	
At 1 January 2019	16,371
Additions	167,397
At 31 December 2019	183,768
<b>Carrying amount</b>	
At 31 December 2019	183,768
At 31 December 2018	16,371

### 14 Financial instruments

	Group 2019	2018	Company 2019	2018
	£	£	£	£
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	1,620,288	2,356,562	2,270,474	1,568,632
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	6,487,661	6,862,323	7,582,414	6,261,881

### 15 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	495,645	1,948,565	480,941	542,990
Corporation tax recoverable	6,740	278,738	-	278,092
Amounts owed by group undertakings	929,056	222,900	1,778,333	1,014,442
Other debtors	195,587	186,475	11,200	11,200
Prepayments and accrued income	496,068	419,219	496,068	419,219
	2,123,096	3,055,897	2,766,542	2,265,943

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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

	Group 2019 £	2018 £	Company 2019 £	2018 £
Trade creditors	4,162,846	4,618,941	5,595,384	4,262,832
Corporation tax payable	187,588	51,718	162,043	-
Other taxation and social security	47,459	241,853	30,776	211,702
Other creditors	1,969,406	1,686,506	1,734,030	1,529,190
Accruals and deferred income	355,409	556,876	253,000	469,859
	<u>6,722,708</u>	<u>7,155,894</u>	<u>7,775,233</u>	<u>6,473,583</u>

### 17 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2019 £	Liabilities 2018 £
Accelerated Capital Allowance	(3,230)	14,014
	<u>(3,230)</u>	<u>14,014</u>
Company	Liabilities 2019 £	Liabilities 2018 £
Accelerated Capital Allowance	(3,230)	14,014
	<u>(3,230)</u>	<u>14,014</u>
Movements in the year:	Group 2019 £	Company 2019 £
Liability at 1 January 2019	14,014	14,014
Credit to profit or loss	(17,244)	(17,244)
Asset at 31 December 2019	<u>(3,230)</u>	<u>(3,230)</u>

The deferred tax liability set out above is expected to reverse within next financial years and relates to accelerated capital allowances that are expected to mature.

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 18 Retirement benefit schemes

	2019	2018
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	33,074	32,696

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 19 Share-based payment transactions

The group participates in a share-based payment arrangement granted to its employees and employees of its subsidiaries.

Group	Number of share options		Weighted average exercise price	
	2019 Number	2018 Number	2019 £	2018 £
Outstanding at 1 January 2019	114,680	-	7.59	-
Granted	14,466	114,680	8.34	7.59
Forfeited	(10,659)	-	8.34	-
Outstanding at 31 December 2019	118,487	114,680	7.61	7.59
Exercisable at 31 December 2019	34,890	5,420	7.61	7.59

The weighted average share price at the date of exercise for share options exercised during the year was £8 (2018 - £8).

The options outstanding at 31 December 2019 had an exercise price ranging from £7.59 to £8.34, and a remaining contractual life of 4 years.

Company	Number of share options		Weighted average exercise price	
	2019 Number	2018 Number	2019 £	2018 £
Outstanding at 1 January 2019	114,680	-	7.59	-
Granted	14,466	114,680	8.34	7.59
Forfeited	(10,659)	-	8.34	-
Outstanding at 31 December 2019	118,487	114,680	7.61	7.59
Exercisable at 31 December 2019	34,890	5,420	7.61	7.59



# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 19 Share-based payment transactions

(Continued)

The options outstanding at 31 December 2019 had an exercise price ranging from £7.59 to £8.34, and a remaining contractual life of 4 years.

#### Group

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Expenses recognised in the year</b>				
Arising from equity settled share based payment transactions	275,249	-	275,249	-

### 20 Share capital

	Group and company	
	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
600,338 Ordinary GBP1 shares of £1 each	600,338	600,338
1,643,017 Ordinary GBP0.25 shares of 25p each	410,754	410,754
	<u>1,011,092</u>	<u>1,011,092</u>

### 21 Share premium account

	Group 2019 £	2018 £	Company 2019 £	2018 £
At the beginning and end of the year	<u>875,357</u>	<u>875,357</u>	<u>875,357</u>	<u>875,357</u>

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 22 Operating lease commitments

#### Lessee

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

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	59,916	61,137	59,916	48,337
Between two and five years	4,993	-	4,993	-
	<u>64,909</u>	<u>61,137</u>	<u>64,909</u>	<u>48,337</u>

### 23 Profit and loss reserves

	Group 2019 £	2018 £	Company 2019 £	2018 £
At the beginning of the year	1,376,651	4,138,542	1,159,822	4,242,815
Profit for the year	2,648,742	868,803	2,381,165	551,242
Dividends	-	(3,634,235)	-	(3,634,235)
Share based payment transactions	275,249	-	275,249	-
Currency translation differences	18,230	3,541	-	-
	<u>4,318,872</u>	<u>1,376,651</u>	<u>3,816,236</u>	<u>1,159,822</u>

### 24 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
Contractum Limited	United Kingdom Debt collection and related activities	Ordinary	100.00	0
EPC Finance Limited	United Kingdom Dormant company	Ordinary	100.00	0
EPC Hungary Kft	Hungary Collection of traffic fines	Ordinary	100.00	0

#### Audit exemptions

In accordance with the Companies Act 2006 Section 479A, Contractum Limited (company registration number 05755117) is exempted from an audit for the financial year ended 31 December 2019. The parent company, Euro Parking Collection plc, has issued a statement of guarantee for the outstanding liabilities of Contractum Limited.

In accordance with local regulations in Hungary, EPC Hungary Kft is exempt from audit for the financial year ending 31 December 2019.

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 25 Financial commitments, guarantees and contingent liabilities

As at 31 December 2019 there are no contingent liabilities (2018: £NIL).

The parent company, Euro Parking Collection plc, has issued a statement of guarantee for the outstanding liabilities of Contractum Limited.

### 26 Related party transactions

As at 31 December 2019, the company owed £1,074,275 to Contractum Limited (2018: £677,607). As at 31 December 2019, the amount of £345,696 was owed by EPC Hungary Kft (2018: £228,413) and £929,056 (2018: £222,900) was owed by Verra Mobility IC. The loans are repayable on demand. The intercompany transactions are charged on an arms' length basis.

### 27 Controlling party

The parent company of company is VM Consolidated Inc the company registered in the U SA . The ultimate controlling party is Verra Mobility Corporation , a company registered in USA (Registration number: 81-3563824). Verra Mobility Corporation is listed on the New York Stock Exchnage under the ticker VRRM.

The parent company, Euro Parking Collection plc, has issued a statement of guarantee for the outstanding liabilities of Contractum Limited.

### 28 Key management personnel

During the year the remuneration paid to key management personnel totalled 374,759 (2018: £2,643,336). During the year there were no share options (2018: 68,120) issued to key management personnel.

### 29 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	2,648,742	868,803
<b>Adjustments for:</b>		
Taxation charged	700,734	236,497
Finance costs	1,224	24
Investment income	(36,581)	(26,601)
Amortisation and impairment of intangible assets	94,513	-
Depreciation and impairment of tangible fixed assets	17,453	50,332
Equity settled share based payment expense	275,249	-
<b>Movements in working capital:</b>		
Decrease in debtors	660,803	160,613
(Decrease)/increase in creditors	(569,056)	2,859,098
<b>Cash generated from operations</b>	<b>3,793,081</b>	<b>4,148,766</b>

# EURO PARKING COLLECTION PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 30 Cash generated from operations - company

	2019 £	2018 £
Profit for the year after tax	2,381,165	551,242
<b>Adjustments for:</b>		
Taxation charged	624,846	130,121
Finance costs	1,190	-
Investment income	(35,406)	(26,327)
Amortisation and impairment of intangible assets	94,513	-
Depreciation and impairment of tangible fixed assets	17,453	50,188
Equity settled share based payment expense	275,249	-
<b>Movements in working capital:</b>		
(Increase)/decrease in debtors	(778,691)	977,526
Increase in creditors	1,139,607	2,359,146
<b>Cash generated from operations</b>	<b>3,719,926</b>	<b>4,041,896</b>

### 31 Analysis of changes in net funds - group

	1 January 2019 £	Cash flows £	Exchange rate movements £	31 December 2019 £
Cash at bank and in hand	7,280,864	3,184,614	18,230	10,483,708

### 32 Analysis of changes in net funds - company

	1 January 2019 £	Cash flows £	31 December 2019 £
Cash at bank and in hand	7,155,307	3,051,076	10,206,383

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.