

UK PARKING CONTROL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

**REGISTRAR'S COPY
OF ACCOUNTS**



Cavendish
Chartered Certified Accountants
Statutory Auditor
68 Grafton Way
London W1T 5DS

UK PARKING CONTROL LIMITED

COMPANY INFORMATION

Director	Mr Rupert John Williams
Company number	05104383
Registered office	The Apex 2 Sheriffs Orchard Coventry CV1 3PP
Auditor	Cavendish Chartered Certified Accountants Statutory Auditor 68 Grafton Way London W1T 5DS
Business address	Voyager House Mercury Park Wycombe Lane Wooburn Green HP10 0HH

UK PARKING CONTROL LIMITED

CONTENTS

	Page
Strategic report	1
Director's report	2 - 3
Independent auditor's report	4 - 5
Statement of comprehensive income	6
Group balance sheet	7
Company balance sheet	8
Group statement of changes in equity	9
Company statement of changes in equity	10
Group statement of cash flows	11
Company statement of cash flows	
Notes to the financial statements	12 - 25

UK PARKING CONTROL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The director presents the strategic report for the year ended 31 August 2018.

Business review

The group's principal activity during the period continued to be that of parking management.

Turnover during the period was higher in 2018 due to better data analytics and technology investment. Trading conditions continue to improve despite increased levels of competition in the market as well as greater regulation and public scrutiny of the industry.

The group's results show a profit on ordinary activities before taxation for the year of £1,116,845 (2017 - £585,797). This increase is due because there are no exceptional expenses in the current accounting year.

As at 31 August 2018 the group had net assets of £735,504 (2017 - £71,016).

Principal risks and uncertainties

Increased competition and consolidation in the industry poses both an opportunity and a risk to the group, however, we believe the scale of the business throughout the country will enable the company to manage these uncertainties as property owners look to appoint operators across the country.

Legislative and legal changes from ongoing action in the wider industry could impact future profit levels and we continually review the business to ensure compliance and profit.

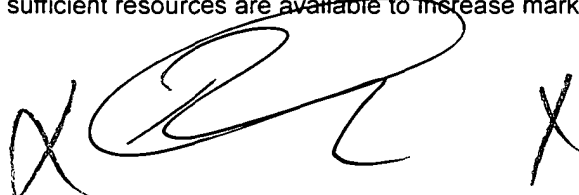
Financial key performance indicators

The financial indicators referred to above are considered by management to be the key performance indicators of the company. In addition the management review operating margins throughout the year including gross profit percentage of 42.1% (2017 - 41.9%) and net profit percentage of 9.5% (2017 - 5.0%). The gross and net profit percentages are considered to be consistent with 2017.

Future outlook

We expect the market to continue to be competitive, and with previous investment in IT system in place, the management consider sufficient resources are available to increase market share when opportunities arise.

On behalf of the board



Mr Rupert John Williams

Director

22 March 2019

UK PARKING CONTROL LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The director presents his annual report and financial statements for the year ended 31 August 2018.

Principal activities

The group's principal activity of the company and group continued to be that of car park management.

Director

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

Mr Rupert John Williams

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £240,000. The director does not recommend payment of a further dividend.

Auditor

The auditor, Cavendish, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of director's responsibilities

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 group and company will continue in business.

The director is 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. He is 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.

UK PARKING CONTROL LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke.

Mr Rupert John Williams

Director

22 March 2019

UK PARKING CONTROL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UK PARKING CONTROL LIMITED

Opinion

We have audited the financial statements of UK Parking Control Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2018 which comprise 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 August 2018 and of the group's 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is 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.

UK PARKING CONTROL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF UK PARKING CONTROL LIMITED

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

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 director's 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 director

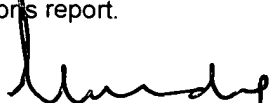
As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation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

In preparing the financial statements, the director is 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 director 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.



A K Malhotra FCCA ACA (Senior Statutory Auditor)
for and on behalf of Cavendish

25 March 2019

Chartered Certified Accountants
Statutory Auditor

68 Grafton Way
London
W1T 5DS

UK PARKING CONTROL LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	2017 £
Turnover	3	11,727,876	11,627,399
Cost of sales		(6,791,549)	(6,749,888)
Gross profit		<u>4,936,327</u>	<u>4,877,511</u>
Administrative expenses		(3,805,733)	(3,476,533)
Exceptional items	4	-	(814,886)
Operating profit	5	<u>1,130,594</u>	<u>586,092</u>
Interest receivable and similar income	9	25	10
Interest payable and similar expenses	10	(13,774)	(305)
Profit before taxation		<u>1,116,845</u>	<u>585,797</u>
Taxation	11	(212,357)	(170,289)
Profit for the financial year		<u><u>904,488</u></u>	<u><u>415,508</u></u>

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

Total comprehensive income for the 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.

UK PARKING CONTROL LIMITED

GROUP BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	13		329,489		262,681
Current assets					
Stocks	17	11,737		11,224	
Debtors	18	878,018		890,054	
Cash at bank and in hand		632,616		343,029	
		1,522,371		1,244,307	
Creditors: amounts falling due within one year	19	(1,060,778)		(1,390,993)	
Net current assets/(liabilities)			461,593		(146,686)
Total assets less current liabilities			791,082		115,995
Provisions for liabilities	20		(55,578)		(44,979)
Net assets			735,504		71,016
Capital and reserves					
Called up share capital	22		2		2
Profit and loss reserves			735,502		71,014
Total equity			735,504		71,016

The financial statements were approved and signed by the director and authorised for issue on 22 March 2019

Mr Rupert John Williams
Director



UK PARKING CONTROL LIMITED

COMPANY BALANCE SHEET

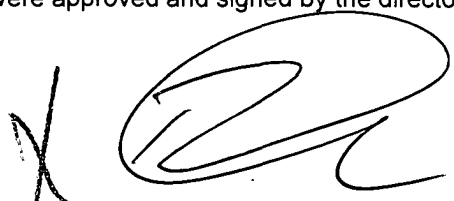
AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	13	329,489		262,681	
Investments	14	1		1	
		<u>329,490</u>		<u>262,682</u>	
Current assets					
Stocks	17	11,737		11,224	
Debtors	18	896,522		908,529	
Cash at bank and in hand		553,806		266,631	
		<u>1,462,065</u>		<u>1,186,384</u>	
Creditors: amounts falling due within one year	19	(1,010,913)		(1,341,346)	
Net current assets/(liabilities)			<u>451,152</u>		<u>(154,962)</u>
Total assets less current liabilities			<u>780,642</u>		<u>107,720</u>
Provisions for liabilities	20		(55,578)		(44,979)
Net assets			<u><u>725,064</u></u>		<u><u>62,741</u></u>
Capital and reserves					
Called up share capital	22		2		2
Profit and loss reserves			725,062		62,739
Total equity			<u><u>725,064</u></u>		<u><u>62,741</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 £902,323 (2017 - £414,999 profit).

The financial statements were approved and signed by the director and authorised for issue on 22 March 2019

Mr Rupert John Williams
Director



Company Registration No. 05104383

UK PARKING CONTROL LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 September 2016		2	10,220	10,222
Period ended 31 August 2017:				
Profit and total comprehensive income for the period		-	415,508	415,508
Dividends	12	-	(354,714)	(354,714)
Balance at 31 August 2017		2	71,014	71,016
Year ended 31 August 2018:				
Profit and total comprehensive income for the year		-	904,488	904,488
Dividends	12	-	(240,000)	(240,000)
Balance at 31 August 2018		2	735,502	735,504

UK PARKING CONTROL LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 September 2016		2	2,454	2,456
Period ended 31 August 2017:				
Profit and total comprehensive income for the period		-	414,999	414,999
Dividends	12	-	(354,714)	(354,714)
Balance at 31 August 2017		2	62,739	62,741
Year ended 31 August 2018:				
Profit and total comprehensive income for the year		-	902,323	902,323
Dividends	12	-	(240,000)	(240,000)
Balance at 31 August 2018		2	725,062	725,064

UK PARKING CONTROL LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	26	1,109,607		796,954	
Interest paid		(13,774)		(305)	
Income taxes paid		(347,130)		(122,551)	
Net cash inflow from operating activities		<u>748,703</u>		<u>674,098</u>	
Investing activities					
Purchase of tangible fixed assets		(219,141)		(198,710)	
Interest received		25		10	
Net cash used in investing activities		<u>(219,116)</u>		<u>(198,700)</u>	
Financing activities					
Dividends paid to equity shareholders		(240,000)		(354,714)	
Net cash used in financing activities		<u>(240,000)</u>		<u>(354,714)</u>	
Net increase in cash and cash equivalents		<u>289,587</u>		<u>120,684</u>	
Cash and cash equivalents at beginning of year		<u>343,029</u>		<u>222,345</u>	
Cash and cash equivalents at end of year		<u><u>632,616</u></u>		<u><u>343,029</u></u>	

UK PARKING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Company information

UK Parking Control Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is The Apex, 2 Sheriffs Orchard, Coventry, CV1 3PP.

The group consists of UK Parking Control Limited 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

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of UK Parking Control Limited 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). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 August 2018. 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 losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

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

1.4 Turnover

Revenue from the sale of parking services is recognised when the service has been provided, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

UK PARKING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.5 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:

Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Computers	33.33% straight line
Motor vehicles	25% straight line

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.

1.6 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.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible 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.

1.8 Stocks

Stocks are stated at cost and represent the purchase costs of consumables used in the course of trading.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

UK PARKING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash at bank and in hand 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.

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.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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.

UK PARKING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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 direct issue 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.

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.

UK PARKING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

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 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is 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:

	2018 £	2017 £
Turnover analysed by class of business		
Car park management services	11,727,876	11,627,399
	<u> </u>	<u> </u>
	2018 £	2017 £
Other significant revenue		
Interest income	25	10
	<u> </u>	<u> </u>

UK PARKING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4	Exceptional costs	2018 £	2017 £
	Loan write-off	-	333,030
	Other exceptional item	-	481,856
		<u>-</u>	<u>814,886</u>

5	Operating profit	2018 £	2017 £
	Operating profit for the year is stated after charging/(crediting):		
	Depreciation of owned tangible fixed assets	152,333	133,646
	Operating lease charges	139,617	119,563
		<u>152,333</u>	<u>133,646</u>

6	Auditor's remuneration	2018 £	2017 £
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	11,000	11,000
	Audit of the financial statements of the company's subsidiaries	1,100	1,000
		<u>12,100</u>	<u>12,000</u>

7 Employees

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Operations	175	161	175	161
Management	15	24	15	24
Administration	52	44	52	44
	<u>242</u>	<u>229</u>	<u>242</u>	<u>229</u>

UK PARKING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	4,920,278	4,601,199	4,931,932	4,609,983
Social security costs	394,609	363,250	393,373	362,218
Pension costs	37,542	29,155	37,542	29,155
	<u>5,352,429</u>	<u>4,993,604</u>	<u>5,362,847</u>	<u>5,001,356</u>

8 Director's remuneration

	2018 £	2017 £
Remuneration for qualifying services	<u>159,702</u>	<u>154,896</u>

9 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	<u>25</u>	<u>10</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>25</u>	<u>10</u>
--	-----------	-----------

10 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	13,774	-
Other finance costs:		
Other interest	-	305
Total finance costs	<u>13,774</u>	<u>305</u>

UK PARKING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	201,758	260,592
Adjustments in respect of prior periods	-	(102,088)
	<u>201,758</u>	<u>158,504</u>
Deferred tax		
Origination and reversal of timing differences	10,599	11,785
	<u>10,599</u>	<u>11,785</u>
Total tax charge for the year	<u>212,357</u>	<u>170,289</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	1,116,845	585,797
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.58%)	212,201	114,699
Tax effect of expenses that are not deductible in determining taxable profit	29,099	159,747
Permanent capital allowances in excess of depreciation	(39,542)	(13,855)
Under/(over) provided in prior years	-	(102,087)
	<u>10,599</u>	<u>11,785</u>
Taxation charge for the year	<u>212,357</u>	<u>170,289</u>

12 Dividends

	2018 £	2017 £
Final paid	240,000	354,714
	<u>240,000</u>	<u>354,714</u>

UK PARKING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets

Group	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2017	464,738	48,026	93,056	300	606,120
Additions	177,506	338	41,297	-	219,141
Disposals	(45,580)	(7,659)	(59,773)	(300)	(113,312)
At 31 August 2018	596,664	40,705	74,580	-	711,949
Depreciation and impairment					
At 1 September 2017	237,872	31,218	74,049	300	343,439
Depreciation charged in the year	119,332	8,141	24,860	-	152,333
Eliminated in respect of disposals	(45,580)	(7,659)	(59,773)	(300)	(113,312)
At 31 August 2018	311,624	31,700	39,136	-	382,460
Carrying amount					
At 31 August 2018	285,040	9,005	35,444	-	329,489
At 31 August 2017	226,866	16,808	19,007	-	262,681
Company					
	Plant and equipment £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2017	464,738	48,026	93,056	300	606,120
Additions	177,506	338	41,297	-	219,141
Disposals	(45,580)	(7,659)	(59,773)	(300)	(113,312)
At 31 August 2018	596,664	40,705	74,580	-	711,949
Depreciation and impairment					
At 1 September 2017	237,872	31,218	74,049	300	343,439
Depreciation charged in the year	119,332	8,141	24,860	-	152,333
Eliminated in respect of disposals	(45,580)	(7,659)	(59,773)	(300)	(113,312)
At 31 August 2018	311,624	31,700	39,136	-	382,460
Carrying amount					
At 31 August 2018	285,040	9,005	35,444	-	329,489
At 31 August 2017	226,866	16,808	19,007	-	262,681

UK PARKING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	15	-	-	1	1

Movements in fixed asset investments Company

	Shares in group undertakings £
Cost or valuation	
At 1 September 2017 and 31 August 2018	1
Carrying amount	
At 31 August 2018	1
At 31 August 2017	1

15 Subsidiaries

Details of the company's subsidiaries at 31 August 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
UKPC Management Limited	The Apex 2 Sheriffs Orchard Coventry CV1 3PP	Management services	Ordinary	100.00

16 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	771,180	765,676	789,684	784,151
Carrying amount of financial liabilities				
Measured at amortised cost	768,973	954,497	742,539	923,139

UK PARKING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Consumables	11,737	11,224	11,737	11,224

18 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	176,795	145,802	176,633	145,802
Amounts owed by group undertakings	-	-	20,000	20,000
Other debtors	27,985	13,513	26,651	11,988
Prepayments and accrued income	673,238	730,739	673,238	730,739
	878,018	890,054	896,522	908,529

19 Creditors: amounts falling due within one year

	Group 2018 £	2017 £	Company 2018 £	2017 £
Trade creditors	368,245	447,474	368,245	447,467
Corporation tax payable	201,758	347,130	201,250	347,173
Other taxation and social security	90,047	89,366	67,124	71,034
Other creditors	82,578	255,442	58,244	226,091
Accruals and deferred income	318,150	251,581	316,050	249,581
	1,060,778	1,390,993	1,010,913	1,341,346

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Balances:

	Liabilities 2018 £	Liabilities 2017 £
Group		
Accelerated capital allowances	55,578	44,979

UK PARKING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Deferred taxation (Continued)

	Liabilities 2018 £	Liabilities 2017 £
Company		
Accelerated capital allowances	55,578	44,979
	Group 2018 £	Company 2018 £
Movements in the year:		
Liability at 1 September 2017	44,979	44,979
Charge to profit or loss	10,599	10,599
Liability at 31 August 2018	55,578	55,578

The deferred tax liability set out above is expected to reverse in the future and relates to accelerated capital allowances that are expected to mature within the reasonable period.

21 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	37,542	29,155

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.

22 Share capital

	Group and company 2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	2	2

UK PARKING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

23 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 2018 £	2017 £	Company 2018 £	2017 £
Within one year	66,250	45,050	66,250	45,050
Between two and five years	19,995	65,045	19,995	65,045
	<u>86,245</u>	<u>110,095</u>	<u>86,245</u>	<u>110,095</u>

24 Related party transactions

Transactions with related parties

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2018 £	2017 £
Company		
Key management personnel	<u>7,049</u>	<u>81,536</u>

The following amounts due from other related parties have been recognised as an expense in the period in respect of bad and doubtful debts:

	2018 £	2017 £
Group		
Other related parties	<u>-</u>	<u>333,030</u>

25 Controlling party

The ultimate controlling party is Mr Rupert John Williams, the sole director and a shareholder of UK Parking Control Limited.

UK PARKING CONTROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

26 Cash generated from group operations

	2018	2017
	£	£
Profit for the year after tax	904,488	415,508
Adjustments for:		
Taxation charged	212,357	170,289
Finance costs	13,774	305
Investment income	(25)	(10)
Depreciation and impairment of tangible fixed assets	152,333	133,646
Movements in working capital:		
(Increase)/decrease in stocks	(513)	5,893
Decrease in debtors	12,036	164,054
(Decrease) in creditors	(184,843)	(92,731)
Cash generated from operations	1,109,607	796,954