

PARENT AA

SC211594

**Company Registration No. SC221290**

**CityFleet Networks Limited**

**Annual Report and Financial Statements**

**for the year ended 31 December 2016**

SATURDAY



\*S6G39W0A\*

SCT

30/09/2017

#2

COMPANIES HOUSE

# **CityFleet Networks Limited**

## **Annual Report and Financial Statements for the year ended 31 December 2016**

<b>Contents</b>	<b>Page</b>
<b>Corporate Information</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>4</b>
<b>Directors' responsibilities statement</b>	<b>6</b>
<b>Independent auditor's report</b>	<b>7</b>
<b>Consolidated income statement</b>	<b>9</b>
<b>Consolidated statement of financial position</b>	<b>10</b>
<b>Consolidated statement of changes in equity</b>	<b>12</b>
<b>Company statement of financial position</b>	<b>13</b>
<b>Company statement of changes in equity</b>	<b>14</b>
<b>Consolidated statement of cash flows</b>	<b>15</b>
<b>Notes to the financial statements</b>	<b>16</b>

## **CityFleet Networks Limited**

### **Corporate Information for the year ended 31 December 2016**

#### **Directors**

Mr Lim Jit Poh  
Mr Kua Hong Pak  
Mr Yang Ban Seng (appointed on 1 May 2017)  
Mr Andrew Skelton (appointed on 1 May 2017)  
Mr Russell Balding AO (resigned on 6 April 2017)  
Mr Jaspal Singh

#### **Company Secretary**

Mr Rakesh Jattan

#### **Registered office**

2/6 Spitfire House  
Turnhouse Road  
Edinburgh  
EH12 0AL

#### **Business Address**

7 Woodfield Road  
London  
W9 2BA

#### **Bankers**

Barclays Bank PLC  
1 Churchill Place  
London  
E14 5HP

#### **Auditor**

Deloitte LLP  
Statutory Auditor  
London, United Kingdom

# CityFleet Networks Limited

## Strategic report

The Directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

CityFleet Networks Limited (the "Company"), together with all of its subsidiary undertakings, as detailed in note 10, are collectively referred to as "the Group".

This Strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to the Group and its subsidiary undertakings when viewed as a whole.

### Principal activities

CityFleet Networks Limited is a joint venture between ComfortDelGro Corporation Limited, a company incorporated in Singapore and Cabcharge Australia Limited, a company incorporated in Australia.

The Group's principal activity is to provide booking and billing services for car and taxi travel on an account or credit basis, to business, public sector and private communities. To deliver this customised service CityFleet Networks Limited employs a state-of-the-art booking and dispatch system with highly sophisticated billing and management information and reporting facilities. The company also provides private coach bookings.

CityFleet Networks Limited operates under the ComCab brand for taxi services in London, Liverpool, Aberdeen and Edinburgh and the ComfortExecutive brand for business and executive class car services. It also operates Westbus Coaches; a London based private charter coach company. CityFleet also engages with a number of other car and taxi vendors, on a subcontractor basis, to provide a wide range of vehicle and product choice to its clients. There has been no significant change in the Company's principal activities in the year under review.

During the year the Directors took the decision to close the underperforming operations of Computer Cab (Birmingham) Limited a 100% owned subsidiary of CityFleet Networks Limited.

The Directors are not aware, at the date of this report, of any likely major changes in the Group's principal activities in the next year.

### Financial Results

As shown in the Group's consolidated income statement on page 9, the Group's revenue has decreased in the year by £3,028,000 (5.24%). 2016 was a challenging year in the industry that the Group operates in. Customers continue to implement cost saving measures and tighten their travel policies. In addition, lower incoming tourism bookings due to several security alerts has reduced overall turnover.

The Group pro-actively engages with customers to manage costs and implement savings which is impacting operating profit margins. Profit before taxation has decreased by £1,044,000 to £240,000 in 2016. This includes a £443,000 Goodwill Impairment relating to Computer Cab (Edinburgh) Ltd and Onward Travel Ltd.

The Group's consolidated statement of financial position on page 10 and page 11 shows the Group's net asset position at £26,264,000 at the end of the year.

During 2016 the Group transitioned to International Financial Reporting Standard (IFRS). An explanation of recognition and measurement differences arising on the adoption of IFRS is given in note 19 to the financial statements.

### Future outlook

The Group intends to continue the provision of booking and billing services for car and taxi travel, private hire and private coach charter to the business, public sector and private communities.

2016 saw the launch of 'CityFleet Business' and was complemented with the implementation of a market leading, state of the art responsive web booker and apps aimed at the corporate market. A bespoke app booking tool was also rolled out for our largest Business to Public (B2P) customer.

To remain competitive new Driver Subscription packages were introduced which provided drivers a choice between remaining on their existing subscription package or moving to a percentage-of-meter model or a fixed rate subscription model.

## CityFleet Networks Limited

### Strategic report (continued)

The Group continued to invest in order to enhance customer and driver offering and to ensure that the proprietary Advantage System remains a modern, flexible and highly bespoke platform for customers, drivers and third party sub-contractors to book, despatch and manage trips, with support for rich and tailored business rules.

Strategic alliances were also cemented with key service providers, despatch systems and third party applications to ensure that the Company continues to expand its availability and attractiveness of the Advantage platform over competitor offerings.

The Group continues to identify inefficiencies, streamline processes but at the same time ensuring no compromise in the level of service provided to customer and drivers.

#### Principal risks and uncertainties

The Group faces changing and challenging times in the 3 sectors that it operates in with regional variances also a contributing factor. The private equity backed taxi and private hire apps continue to cause disruption in the marketplace with several new entrants in the year pitching alongside the more established ones.

Uncertainty over the future of the City of London in the wake of the Brexit-vote and the low oil price continued to be a drag on non-mission critical spending, thus pulling down Business-2-Business (B2B) revenue of our two largest taxi businesses (London and Aberdeen).

Uncertainty over the terms of the Brexit separation, especially in the areas of Immigration and Access to the Single Market is a concern, with major banks considering relocating jobs to their European operations. B2P spending is also under pressure as publicly funded organisations continue to struggle under tight austerity budgets.

#### Financial risk management

The Group's principal financial assets are bank balances and trade receivables. The Group's credit risk is primarily attributable to its trade receivables. The Group's client base is substantially blue chip or public sector bodies with strong credit ratings. Directors feel that the credit risk of the trade receivables is low.

Details of Trade and other receivables can be found in note 12 of the financial statements.

#### Going concern

The Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policy note 2.

#### Approval

This report was approved by the Board of Directors on 30 June 2017 and signed on its behalf by:

  
Jaspal Singh  
Director  
30/6/2017

# **CityFleet Networks Limited**

## **Directors' report**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2016.

### **Directors**

Details of the current directors are given on page 1.

The company has made Qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

### **Future Development**

The Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Future Development is covered on Page 2 'Future Outlook' of the Strategic Report.

### **Financial instruments and credit risk**

The Group's principal financial assets are bank balances and trade receivables. The credit risk is primarily attributable to its trade receivables. The Group's client base is substantially blue chip or public sector bodies with strong credit ratings.

### **Environment**

CityFleet Networks Group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that may be caused by the Group's activities.

### **Disabled employees**

The Group's policy in respect of disabled persons is that their applications for employment are always fully and fairly considered, bearing in mind the abilities of the applicant concerned. In the event of a member becoming disabled, every effort is made to ensure that employment with the company continues and where necessary appropriate training is arranged. It is the Group's policy that training, career development and promotion of disabled persons should, as far as possible, be identical to that of all other employees in similar grades.

### **Employee consultation**

Regular updates are communicated to CityFleet Networks staff to inform them about the Company's progress and future plans.

Quarterly updates provide information on performance against quality, environmental, health and safety and general commercial objectives.

The Company enhanced its ISO 9001 Quality Management and ISO 14001 Environmental Management by successfully getting accredited for both the new standards (ISO 9001:2015 and ISO 14001:2015). The robust and externally audited performance management system ensures employees are engaged in a programme of objective setting, review and development. A number of staff has been promoted internally as part of long term development and succession planning.

### **Auditor**

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware and;
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

## **CityFleet Networks Limited**

### **Directors' report (continued)**

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:



Jaspal Singh

Director

30/6/2017

## **CityFleet Networks Limited**

### **Directors' responsibilities statement**

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 Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Company financial statements in accordance with Financial Reporting Standard 101 '*Reduced Disclosure Framework*' (FRS 101). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the Company 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 FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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

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

## **CityFleet Networks Limited**

### **Independent auditor's report to the members of CityFleet Networks Limited**

We have audited the financial statements of CityFleet Networks Limited for the year ended 31 December 2016, which comprise the consolidated income statement, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, the company statement of financial position, the company statement of changes in equity and the related notes 1 to 20. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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

#### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2016 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

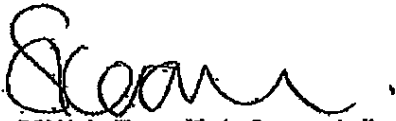
**CityFleet Networks Limited**

**Independent auditor's report to the members of CityFleet Networks Limited  
(continued)**

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

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Sukhsinder Kooner (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

30 June 2017

## CityFleet Networks Limited

### Consolidated Income Statement Year ended 31 December 2016

	Note	2016 £'000	2015 £'000
<b>Continuing operations</b>			
Revenue	3	54,708	57,736
Cost of sales		(43,164)	(45,506)
<b>Gross profit</b>		<u>11,544</u>	<u>12,230</u>
Administrative expenses		(11,753)	(11,523)
Other Operating Income		865	797
<b>Operating profit</b>	5	<u>656</u>	<u>1,504</u>
Profit on disposal of property, plant and equipment		12	64
Goodwill Impairment	8	<u>(443)</u>	<u>(313)</u>
<b>Profit on ordinary activities before finance income</b>		<u>225</u>	<u>1,255</u>
Finance income	6	<u>15</u>	<u>29</u>
<b>Profit before taxation</b>		<u>240</u>	<u>1,284</u>
Income tax expense	7	<u>(150)</u>	<u>(169)</u>
<b>Profit for the year</b>		<u>90</u>	<u>1,115</u>
Attributable to:			
Shareholders of the Company		90	1,115
		<u>90</u>	<u>1,115</u>

All results in the current and preceding year are derived from continuing operations.

The Group had no recognised gains or losses other than the profit for the current and prior year and accordingly, a statement of comprehensive income has not been present.

# CityFleet Networks Limited

## Consolidated statement of financial position As at 31 December 2016

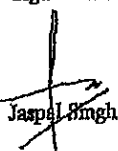
	Note	2016	2015	As at 1 January 2015
		£'000	£'000	£'000
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill	8	438	881	1,194
Property, plant and equipment	9	10,086	10,998	10,469
<b>Total non-current assets</b>		<u>10,524</u>	<u>11,879</u>	<u>11,663</u>
<b>Current assets</b>				
Inventories	11	87	83	81
Trade and other receivables	12	5,321	7,345	6,932
Cash		<u>13,648</u>	<u>10,320</u>	<u>11,090</u>
<b>Total current assets</b>		<u>19,056</u>	<u>17,748</u>	<u>18,103</u>
<b>Total assets</b>		<u><u>29,580</u></u>	<u><u>29,627</u></u>	<u><u>29,766</u></u>

# CityFleet Networks Limited

## Consolidated statement of financial position (continued) As at 31 December 2016

	Note	2016	2015	As at 1 January 2015
		£'000	£'000	£'000
<b>Liabilities and Equity</b>				
<b>Current liabilities</b>				
Rollerbonds	13	542	508	523
Trade Payables	13	238	404	464
Amounts owed to group undertakings	13	52	152	39
Corporation Tax	13	-	-	182
Other payables and Social Security cost	13	925	679	1,272
Accruals and deferred income	13	1,126	1,159	1,609
<b>Total current liabilities</b>		<b>2,883</b>	<b>2,902</b>	<b>4,089</b>
<b>Non-current liabilities</b>				
Driver Deposits	13	286	310	301
Deferred Tax	14	147	241	317
<b>Total non-current liabilities</b>		<b>433</b>	<b>551</b>	<b>618</b>
<b>Total liabilities</b>		<b>3,316</b>	<b>3,453</b>	<b>4,707</b>
<b>Equity</b>				
Share capital	15	17,214	17,214	17,214
Retained Earnings		9,050	8,960	7,845
<b>Equity attributable to shareholders of the Company</b>		<b>26,264</b>	<b>26,174</b>	<b>25,059</b>
<b>Total equity</b>		<b>26,264</b>	<b>26,174</b>	<b>25,059</b>
<b>Total liabilities and equity</b>		<b>29,580</b>	<b>29,627</b>	<b>29,766</b>

The financial statements of CityFleet Networks Limited, registered number SC221290, were approved by the Board of Directors on 20/6/2017.  
Signed on behalf of the Board of Directors

  
Jaspal Singh  
Director

## CityFleet Networks Limited

### Consolidated statement of changes in equity As at 31 December 2016

	Share capital £'000	Retained Earnings £'000	Total equity £'000
Balance at 1 January 2015	17,214	7,845	25,059
Profit and total comprehensive income	-	1,115	1,115
Balance at 31 December 2015	<u>17,214</u>	<u>8,960</u>	<u>26,174</u>
Profit and total comprehensive income	-	90	90
Balance at 31 December 2016	<u>17,214</u>	<u>9,050</u>	<u>26,264</u>

# CityFleet Networks Limited

## Company statement of financial position As at 31 December 2016

Company	Note	2016 £'000	2015 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	3,102	2,483
Investments	10	23,821	23,821
<b>Total non-current assets</b>		<b>26,923</b>	<b>26,304</b>
<b>Current assets</b>			
Trade and other receivables	12	4,376	4,503
Cash and cash equivalents		1,800	1,349
<b>Total current assets</b>		<b>6,176</b>	<b>5,852</b>
<b>Total assets</b>		<b>33,099</b>	<b>32,156</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade and other payables	13	229	366
<b>Non-current liabilities</b>			
Driver Deposits	13	20	23
Deferred Tax	13	28	37
Amount owed to group undertaking	13	15,279	13,984
<b>Total liabilities</b>		<b>15,556</b>	<b>14,410</b>
<b>Equity</b>			
Share capital	15	17,214	17,214
Retained earnings		329	532
<b>Total equity</b>		<b>17,543</b>	<b>17,746</b>
<b>Total liabilities and equity</b>		<b>33,099</b>	<b>32,156</b>

No profit and loss account is presented for CityFleet Networks Limited as permitted by section 408 of the Companies Act 2006. The loss for the Company was £ 203,000 (2015: Profit £ 161,000).

The financial statements of CityFleet Networks Limited, registered number SC221290, were approved by the Board of Directors on 20/1/2017.

Signed on behalf of the Board of Directors

  
Jaspal Singh  
Director

## CityFleet Networks Limited

### Company statement of changes in equity Year ended 31 December 2016

Company	Share capital	Retained	Total equity
	£'000	Earnings £'000	£'000
Balance at 1 January 2015	17,214	371	17,585
Profit for the year	-	161	161
Balance at 31 December 2015	<u>17,214</u>	<u>532</u>	<u>17,746</u>
Loss for the year	-	(203)	(203)
Balance at 31 December 2016	<u>17,214</u>	<u>329</u>	<u>17,543</u>

# CityFleet Networks Limited

## Consolidated statement of cash flows Year ended 31 December 2016

	2016 £'000	2015 £'000
<b>Operating activities</b>		
Profit before taxation	240	1,284
Adjustments for:		
Depreciation	2,235	2,046
Interest income	(15)	(29)
Impairment of goodwill	443	313
Profit on disposal of property, plant and equipment	(12)	(64)
Operating cash flows before movements in working capital	<u>2,891</u>	<u>3,550</u>
Working capital adjustments:		
Inventories	(4)	(2)
Trade receivables	1,715	(28)
Other receivables and prepayments	527	(242)
Trade and other payables	80	(395)
Other liabilities	(217)	(601)
Cash generated from operations	<u>4,992</u>	<u>2,282</u>
Income tax paid	(368)	(571)
Net cash from operating activities	<u>4,624</u>	<u>1,711</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,525)	(2,738)
Proceeds from disposal of property, plant and equipment	214	228
Cash payments on purchase of property, plant and equipment	(1,311)	(2,510)
Interest received	15	29
Net cash used in investing activities	<u>(1,296)</u>	<u>(2,481)</u>
Net increase in cash	3,328	(770)
Cash at beginning of year	10,320	11,090
Cash at end of year	<u>13,648</u>	<u>10,320</u>

# **CityFleet Networks Limited**

## **Notes to the financial statements Year ended 31 December 2016**

### **1. General information**

CityFleet Networks Limited (Registration no. SC221290) is a private company limited by shares and is registered in Scotland. The company is incorporated in the United Kingdom with registered office at 2/6 Spitfire House, Turnhouse Road, Edinburgh, EH12 0AL. CityFleet Networks Limited is a joint venture between ComfortDelGro Corporation Limited incorporated in Singapore and Cabcharge Australia Limited incorporated in Australia. Information on its ultimate parent is presented in note 17.

The operating companies provide booking and billing services for car and taxi services in London, Aberdeen, Edinburgh and Liverpool on account or credit basis, to business, public sector and private communities under the ComCab brand. Also CityFleet Networks Limited operate the Comfort Executive brand for business and executive class car services and Westbus Coaches, a London based private charter coach company.

The consolidated financial statements of the Group for the year ended 31 December 2016 (including comparatives) and the statement of financial position and statement of changes in equity for the Company were approved and authorised for issue by the board of directors.

### **2. Summary of significant accounting policies**

#### **Going concern**

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on page 2. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are also described in further detail in the notes to the financial statements. The directors are satisfied with the results and believe that the Group is well placed to manage its business risks successfully.

In particular, although the Group is exposed to wider macroeconomic events, The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to continue to operate within the level of the resources available to it.

The directors believe that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Basis of preparation and adoption of IFRS for the Group financial statements**

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have also been prepared in accordance with IFRS adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation.

For all periods up to and including the year ended 31 December 2015, the Group prepared its financial statements in accordance with Financial Reporting Standard 102 (FRS 102). These financial statements for the year ended 31 December 2016 are the first the Group has prepared in accordance with IFRS. Note 19 discloses the impact of the transition to IFRS on the Group's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended 31 December 2015 prepared under FRS 102.

The consolidated financial statements have been prepared on a historical cost basis. The consolidated financial statements are presented in GBP and all values are rounded to the nearest thousand (£'000), except when otherwise indicated.

## CityFleet Networks Limited

### Notes to the financial statements Year ended 31 December 2016

#### 2. Summary of significant accounting policies (continued)

##### Adoption of FRS 101 'Reduced disclosure framework' for the Company financial statements

The Company meets the definition of a qualifying entity under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2016 the Company has changed its accounting framework from pre-2016 FRS 102 to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. These company financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council, incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016.

The Company's date of transition to FRS 101 was 1 January 2016. The Company has notified its shareholders in writing. The prior year company financial statements were restated and there were no material adjustments to the Company financial statements on adoption of FRS 101 in the current year.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial commitments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets, related party transactions and key management personnel. Where relevant, equivalent disclosures have been given in the Company's consolidated accounts.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

##### Basis of consolidation

The Group financial statements consolidate those of the Company and all of its subsidiaries as of 31 December 2016. Subsidiaries are all entities over which the Group has the power to control the financial and operating policies. The Group obtains and exercises control through more than half of the voting rights. All subsidiaries have a reporting date of 31 December.

For the year ended 31 December 2016, the Directors have prepared consolidated financial statements subject to an audit to enhance visibility over the combined operations of the Group and to enable the Group's subsidiaries to take exemption from audit under section 479a of the Companies Act 2006.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

##### Business combinations and goodwill

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

## CityFleet Networks Limited

### Notes to the financial statements (continued) Year ended 31 December 2016

#### 2. Summary of significant accounting policies (continued)

##### Business combinations and goodwill (continued)

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

The cost of goodwill in these financial statements has been measured at its amortised book value under previous UK GAAP at the date of transition to IFRS. Goodwill is tested for impairment at each reporting date and provision is made for any impairment identified.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

##### Intangible assets

Intangible assets held, where reliably measured, have an indefinite useful economic life and are therefore subject to an annual impairment review. Provision is made for any impairment.

##### Property, plant and equipment

Property, plant and equipment are stated at *historical cost or valuation less accumulated depreciation and provision for impairment*.

Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful economic life, as follows:

Freehold premises	2% on cost straight line per annum
Leasehold premises	Over length of lease
Improvements to premises	8 years
Coach and Motor vehicles	3 - 12 years from registration date
Fixtures, fittings and machinery	1 - 10 years
IT hardware and software	3 - 8 years

##### Investments

Investments held as non-current assets are stated at cost less provision for any impairment in value.

##### Cash

Cash and cash equivalents comprise cash at banks and on hand and cash in deposit accounts which require less than three months' notice for the Company to access.

##### Inventories

Inventories consist primarily of materials and fuel stocks required for the operation and maintenance of coaches. These materials and fuel stocks are valued on a first in first out basis at the lower of cost and net realisable value to the group.

# **CityFleet Networks Limited**

## **Notes to the financial statements (continued)** **Year ended 31 December 2016**

### **2. Summary of significant accounting policies (continued)**

#### **Taxation**

Income tax expense in profit or loss comprises the sum of current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred taxation is provided in full on timing differences, which result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Operating leases**

Rental payable under operating leases are charged to consolidated income statement on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### **Finance costs**

Finance costs of financial liabilities are recognised in the consolidated income statement over the term of such instruments at a constant rate on the carrying amount.

#### **Financial liabilities and equity**

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.

#### **Retirement benefit obligations**

Defined contribution arrangements are made for eligible employees of the group. The pension cost charged in the year represents contributions payable by the company to the pension scheme.

#### **Drivers' rollerbond**

The Group provides a voluntary rollerbond scheme whereby a proportion of the drivers' payments can be withheld by the company and credited to drivers' rollerbond accounts each month. The driver chooses either a limit at which the balance will be refunded or a time of the year when the amount becomes refundable to the driver. At the reporting date the total rollerbond liability is disclosed in creditors falling due within one year.

#### **Insurance**

Insurance costs include insurance premiums which are recognised in profit and loss over the period to which they relate.

## **CityFleet Networks Limited**

### **Notes to the financial statements (continued)** **Year ended 31 December 2016**

#### **2. Summary of significant accounting policies (continued)**

##### **Revenue**

Revenue represents amounts receivable for services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Revenue from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Other operating income which mainly comprises of vehicle rental is recognised in line with the contractual rental due date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year. 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.

##### **Foreign currency transactions**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction.

##### **Critical accounting judgements and key sources of estimation uncertainty**

There were no accounting policies which required significant accounting judgements for either the Group or Company.

##### **Key source of estimation uncertainty – impairment of goodwill**

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill have been allocated. The value in use calculation requires the entity to estimate the future cashflows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the reporting date was £ 438,000 (2015:£ 881,000) after an impairment loss of £443,000 was recognised during 2016.

##### **Adoption of new and revised standards**

In the current year, the Group has applied a number of amendments to IFRS issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2016. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

The following new and revised IFRS have been issued but are not yet effective and have not been applied by the Group in these financial statements:

- IFRS 9 - Financial Instruments (effective for the year ending 31 December 2018, subject to EU endorsement)
- IFRS15 - Revenue from Contracts with Customers (effective for the year ending 31 December 2018, subject to EU endorsement)
- IFRS16 – Leases (effective for the year ending 31 December 2019, subject to EU endorsement)

IFRS 9 is not expected to have a material impact on the results of the Group when it is adopted. Management is evaluating the potential effect of IFRS 15 and IFRS 16 on the Group's financial statements.

The following revisions, amendments and improvements have been issued but are not yet effective and are not expected to have a material impact on the results of the Group when they are adopted:

- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS11)
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS16 and IAS38)
- Defined Benefit Plans: Employee Contributions (Amendments to IAS19)
- Improvements to IFRS 2010-2012 Cycle and 2011-2013 Cycle

## CityFleet Networks Limited

### Notes to the financial statements (continued) Year ended 31 December 2016

#### 2. Summary of significant accounting policies (continued)

##### Useful lives of property, plant and equipment

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period to ensure that they appropriately reflect the consumption of the economic benefit of that property, plant and equipment.

#### 3. Revenue

Revenue and operating profit are attributable to the Group's principal activity and arise entirely in the United Kingdom.

	2016 £'000	2015 £'000
Taxi and Private Hire Revenue	44,560	46,848
Taxi Driver Subscription	5,273	5,582
Coach revenue	4,875	5,306
Total revenue from services	54,708	57,736
Finance income (note 6)	15	29
Other operating income	865	797
Total revenue	55,588	58,562
Operating profit	656	1,504

# CityFleet Networks Limited

## Notes to the financial statements (continued) Year ended 31 December 2016

### 4. Information regarding directors and employees

Group	2016 £'000	2015 £'000
Directors' remuneration		
Emoluments	<u>30</u>	<u>30</u>

Group	2016 No.	2015 No.
Average number of persons employed (including directors)		
Operating staff	151	157
Drivers	40	39
Sales	16	19
Administration	36	43
	<u>243</u>	<u>258</u>

Group	2016 £'000	2015 £'000
Staff costs during the year (including directors)		
Wages and salaries	6,530	6,554
Social security costs	593	599
Pension costs	40	38
	<u>7,163</u>	<u>7,191</u>

There are no retirement benefits accruing under a money purchase pension scheme for the Directors (2015 - £nil). The company does not operate a defined benefit pension scheme. Remuneration of the highest paid director includes fees of £30,000 (2015 - £30,000)

The Company has no employees.

There has been no share option or long-term incentive scheme available for the directors in the current year.

# CityFleet Networks Limited

## Notes to the financial statements (continued) Year ended 31 December 2016

### 5. Group operating profit

	2016 £'000	2015 £'000
<b>Group operating profit is stated after charging:</b>		
Depreciation:		
Assets owned	2,235	2,046
Impairment of goodwill	443	313
Pension cost	40	38
Rentals under operating leases:		
Premises	348	314
Others	396	267
	<u>3,462</u>	<u>2,978</u>

<b>Auditor's remuneration</b>	2016 £'000	2015 £'000
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	50	50
Total audit fees	<u>50</u>	<u>50</u>
Tax compliance fees	21	21
Total fees	<u>71</u>	<u>71</u>

# CityFleet Networks Limited

## Notes to the financial statements (continued) Year ended 31 December 2016

### 6. Finance income

	2016 £'000	2015 £'000
Bank interest	15	29

### 7. Income tax expense

#### a) Tax expense:

	2016 £'000	2015 £'000
<b>Current tax expense</b>		
Current tax on profits for the year	215	403
Adjustment in respect of prior years	29	(135)
Total current tax charge	244	268
<b>Deferred tax</b>		
Origination and reversal of temporary differences (note 14)	(94)	(99)
Income tax expense reported in the income statement	150	169

The actual tax charge for the current year and previous year can be reconciled to the accounting profit as follows:

	2016 £'000	2015 £'000
Profit before taxation	240	1,284
Income tax calculated at standard rate of 20% (2015: 20.25%)	48	257
Factors affecting charge for the year:		
Disallowable expenses	1	3
Goodwill impairment	88	63
Effects of changes in tax rate	(16)	(19)
Adjustments in respect of prior years	29	(135)
	150	169
Effective rate	62.5%	13.2%

## CityFleet Networks Limited

### Notes to the financial statements (continued) Year ended 31 December 2016

#### 7. Income tax expense (continued)

##### b) Changes in tax rates and factors affecting the future tax charge

As a result of the Finance Act 2013, the standard rate of corporation tax in the UK was reduced from 23% to 21% effective from 1 April 2014 and was further reduced from 21% to 20% effective from 1 April 2015. As such, the standard rate of tax for the year, based on the UK standard rate of corporation tax, is 20.25% (average rate for year: 90 days at 21%, 275 days at 20%) (2014: 21.5%). Accordingly deferred tax balances as at 31 December 2015 have been recognised at 20%, the enacted rate of corporation tax that will apply for periods from 1 April 2015. The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the reporting date.

#### 8. Goodwill

The movements in the net carrying amount of goodwill are as follows:

Group	2016	2015	As at 1 January 2015
	£'000	£'000	£'000
<b>Cost</b>			
At 1 January	2,385	2,385	2,385
<b>Amortisation</b>			
At 1 January	1,504	1,191	1,081
Charge for the year	-	-	110
Impairment losses	443	313	-
At 31 December	1,947	1,504	1,191
<b>Net book value</b>			
At 31 December	438	881	1,194

Goodwill acquired in a business combination is allocated at acquisition to the cash-generating units that are expected to benefit from that business combination. The cost of goodwill in these financial statements has been measured at its amortised book value under previous UK GAAP at the date of transition to IFRS. The carrying amount of goodwill of £ 438,000 (2015: £881,000; 1 January 2015 £1,194,000) is reported after an impairment loss of £ 443,000 (2015: £ 313,000) which arose following a review by directors on underperforming taxi operations in the UK.

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amounts of the cash generating units ("CGUs") are determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

The basis of the impairment test included assumptions as set out below:

- Growth rate of 1.1% based on International Monetary Funds (IMF) UK predictions and forecast.
- The company's weighted average cost of capital of 5.46%.

# CityFleet Networks Limited

## Notes to the financial statements (continued) Year ended 31 December 2016

### 9. Property, plant and equipment

Group	Freehold premises	Leasehold premises	Coaches and motor vehicles	Fixtures and fittings and machinery	IT hardware and software	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
At 1 January 2015	622	1,415	16,472	3,458	12,967	34,934
Additions	-	9	1,720	17	992	2,738
Disposals	-	-	(594)	-	-	(594)
<b>At 31 December 2015</b>	<b>622</b>	<b>1,424</b>	<b>17,598</b>	<b>3,475</b>	<b>13,959</b>	<b>37,078</b>
Additions	95	42	292	6	1,090	1,525
Disposals	-	(54)	(654)	(73)	(128)	(909)
<b>At 31 December 2016</b>	<b>717</b>	<b>1,412</b>	<b>17,236</b>	<b>3,408</b>	<b>14,921</b>	<b>37,694</b>
<b>Accumulated Depreciation</b>						
At 1 January 2015	532	842	9,786	3,371	9,934	24,465
Charge for the year	14	15	869	27	1,121	2,046
Disposals	-	-	(431)	-	-	(431)
Reclassification	(67)	67	-	-	-	-
<b>At 31 December 2015</b>	<b>479</b>	<b>924</b>	<b>10,224</b>	<b>3,398</b>	<b>11,055</b>	<b>26,080</b>
Charge for the year	18	15	909	19	1,274	2,235
Disposals	-	(54)	(468)	(58)	(127)	(707)
<b>At 31 December 2016</b>	<b>497</b>	<b>885</b>	<b>10,665</b>	<b>3,359</b>	<b>12,202</b>	<b>27,608</b>
<b>Net book value</b>						
At 31 December 2016	220	527	6,571	49	2,719	10,086
At 31 December 2015	143	500	7,374	77	2,904	10,998
At 1 January 2015	90	573	6,686	87	3,033	10,469

# CityFleet Networks Limited

## Notes to the financial statements (continued) Year ended 31 December 2016

### 9. Property, plant and equipment

Company	Motor Vehicles	IT hardware and software	Total
	£'000	£'000	£'000
<b>Cost or valuation</b>			
At 1 January 2015	780	2,094	2,874
Additions	514	313	827
Disposals	(32)	-	(32)
<b>At 31 December 2015</b>	<b>1,262</b>	<b>2,407</b>	<b>3,669</b>
 Additions	 171	 648	 819
Disposals	(226)	-	(226)
Reclassification	-	451	451
<b>At 31 December 2016</b>	<b>1,207</b>	<b>3,506</b>	<b>4,713</b>
 <b>Accumulated Depreciation</b>			
At 1 January 2015	225	533	758
Charge for the year	182	263	445
Disposals	(17)	-	(17)
<b>At 31 December 2015</b>	<b>390</b>	<b>796</b>	<b>1,186</b>
 Charge for the year	 240	 356	 596
Disposals	(171)	-	(171)
<b>At 31 December 2016</b>	<b>459</b>	<b>1,152</b>	<b>1,611</b>
 <b>Net book value</b>			
<b>At 31 December 2016</b>	<b>748</b>	<b>2,354</b>	<b>3,102</b>
 At 31 December 2015	 872	 1,611	 2,483
At 1 January 2015	555	1,561	2,115

# CityFleet Networks Limited

## Notes to the financial statements (continued) Year ended 31 December 2016

### 10. Investments

Company	2016 £'000	2015 £'000
<b>Cost</b>		
At 1 January and 31 December	<u>23,821</u>	<u>23,821</u>

All of the investments are unlisted.

The Company has guaranteed the liabilities of the following subsidiaries outstanding as at the date of the statement of financial position and as a result they are exempt from audit under s479A of companies Act 2006. Details of the Company's subsidiary undertakings, the results of which are included in these group accounts, are as follows:

Investment	Company registration Number	Country of incorporation	Nature of business	% Holding	Type of shares	Reg. Office
Flightlink International Limited	3201374	United Kingdom	Executive chauffeur services	100.00	Ordinary	A
Central Dispatch Limited	5121323	United Kingdom	Call centre and dispatch services	100.00	Ordinary	A
Computer Cab (Birmingham) Limited	4546076	United Kingdom	Taxi booking and billing services	100.00	Ordinary	A
Computer Cab (Liverpool) Limited	597443	United Kingdom	Taxi booking and billing services	100.00	Ordinary	A
Computer Cab plc	1214640	United Kingdom	Taxi booking and billing services	100.00	Ordinary	A
Cabcharge Ltd	1887129	United Kingdom	Taxi booking card services	100.00	Ordinary	A
Westbus Coach Services Limited	5565345	United Kingdom	Coach Services	100.00	Ordinary	A
Computer Cab (Aberdeen) Ltd	SC083134	United Kingdom	Taxi booking and billing services	100.00	Ordinary	B
Computer Cab (Edinburgh) Ltd	SC211594	United Kingdom	Taxi booking and billing services	100.00	Ordinary	C
Onward Travel Ltd	SC270311	United Kingdom	Taxi booking and billing services	100.00	Ordinary	C

#### Registered Office :

A Advantage House, Mitre Bridge Industrial Park, Mitre Way London W10 6AU

B Farburn House, Burnside Drive, Dyce, Aberdeen, Scotland AB21 0HW

C 2/6 Spitfire House, Turnhouse Road, Edinburgh Airport, Edinburgh EH12 0AL

## CityFleet Networks Limited

### Notes to the financial statements (continued) Year ended 31 December 2016

#### 11. Inventories

	Group			Company	
	2016	2015	As at 1	2016	2015
	£'000	£'000	Jan-15 £'000	£'000	£'000
Taxi/Coach maintenance stocks	63	63	68	-	-
Fuel stocks	24	20	13	-	-
	<u>87</u>	<u>83</u>	<u>81</u>	<u>-</u>	<u>-</u>

The cost of inventories recognised as an expense and included in the cost of sales was £ 768,000 (2015: £827,000).

#### 12. Trade and other receivables

	Group			Company	
Current	2016	2015	As at 1	2016	2015
	£'000	£'000	Jan-15 £'000	£'000	£'000
Trade receivables	4,320	6,044	5,993	983	2,189
Less: allowance for doubtful accounts	(85)	(94)	(70)	(2)	(2)
Trade receivables - net	4,235	5,950	5,923	981	2,187
Amounts owed by group undertakings	3	2	3	1,993	1,808
Other Debtors	437	563	406	1,208	227
Prepayments and Accrued Income	646	830	600	194	281
	<u>5,321</u>	<u>7,345</u>	<u>6,932</u>	<u>4,376</u>	<u>4,503</u>

Trade receivables are non-interest bearing and are generally on 1-30 day terms.

# CityFleet Networks Limited

## Notes to the financial statements (continued) Year ended 31 December 2016

### Ageing of Past due but not impaired receivables

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
31-60 days	264	538	161	147
61-90 days	32	291	11	9
91-120 days	5	144	8	52
Total	<u>301</u>	<u>973</u>	<u>180</u>	<u>208</u>

### Movement in the allowance for doubtful accounts

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Balance at the beginning of the period	(94)	(70)	(2)	(2)
Amounts written off during the year as uncollectable	(6)	(27)	-	-
Amounts recovered during the year	15	3	-	-
Balance at the end of the period	<u>(85)</u>	<u>(94)</u>	<u>(2)</u>	<u>(2)</u>

### Ageing of impaired receivables

	Group		Company	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
31-60 days	45	-	-	-
61-90 days	21	9	-	-
91-120 days	19	85	2	2
Total	<u>85</u>	<u>94</u>	<u>2</u>	<u>2</u>

## CityFleet Networks Limited

### Notes to the financial statements (continued)

Year ended 31 December 2016

#### Credit risk management

The Group's credit risk is primarily attributable to its trade receivables. The Group's client base is substantially blue chip or public sector bodies with strong credit ratings. Although the Group has a small number of counterparties to its trade receivables and as such has a high concentration of credit risk with these clients, the credit risk remain low because the main counterparties are corporate bodies.

An allowance has been made for estimated irrecoverable amounts which has been determined by reference to past default experience. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk as no collateral or other credit enhancements are held.

#### 13. Trade and other payables

Current	Group			Company	
	2016 £'000	2015 £'000	As at 1 Jan-15 £'000	2016 £'000	2015 £'000
Rollerbonds	542	508	523	-	-
Trade Payables	238	404	464	6	110
Amounts owed to group undertakings outside of the CFN Group	52	152	39	-	-
Corporation Tax	-	-	182	-	-
Social security costs	123	146	155	-	-
Other payables	802	533	1,117	179	221
Accruals and deferred income	1,126	1,159	1,609	44	35
	<u>2,883</u>	<u>2,902</u>	<u>4,089</u>	<u>229</u>	<u>366</u>
<b>Non-current</b>					
<b>Other Payables</b>					
Driver Deposits	286	310	301	20	23
Deferred Tax	147	241	317	28	37
Amounts owed to group undertakings	-	-	-	15,279	13,984
	<u>433</u>	<u>551</u>	<u>618</u>	<u>15,327</u>	<u>14,044</u>

#### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows.

# CityFleet Networks Limited

## Notes to the financial statements (continued) Year ended 31 December 2016

### Maturity of financial liabilities:

The maturity of the Group's non-borrowing related financial liabilities at 31 December 2016 was as follows:

	<u>Group</u>		<u>Company</u>	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
In one year or less, or on demand	2,606	2,622	229	366
In more than one year, but not more than five	94	81	-	-
In more than five years	169	209	20	23
Total	<u>2,869</u>	<u>2,912</u>	<u>249</u>	<u>389</u>

### 14. Deferred tax assets / liabilities

	2016 £'000	2015 £'000	As at 1 Jan-15 £'000
<b>Group</b>			
At 1 January	241	340	361
Movement in the year	(94)	(99)	(44)
At 31 December	<u>147</u>	<u>241</u>	<u>317</u>
<b>Company</b>			
At 1 January	37	47	44
Movement in the year	(9)	(10)	3
At 31 December	<u>28</u>	<u>37</u>	<u>47</u>

### 15. Share capital

	<u>Group &amp; Company</u>					
	2016 No. '000	£'000	2015 No. '000	£'000	As at 1 Jan-15 No. '000	£'000
Allotted, authorised, called-up and fully paid						
17,213,914 ordinary shares of £1 each	<u>17,214</u>	<u>17,214</u>	<u>17,214</u>	<u>17,214</u>	<u>17,214</u>	<u>17,214</u>

## CityFleet Networks Limited

### Notes to the financial statements (continued) Year ended 31 December 2016

#### 16. Financial commitments

Operating lease commitments:

	<u>Land and Buildings</u>		<u>Others</u>	
Group	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Total future minimum lease payments under non- cancellable Operating leases are as follows:				
Within one year	55	55	335	276
Within two to five years	111	181	310	359
In five years or more	92	92	-	-
	<u>258</u>	<u>328</u>	<u>645</u>	<u>635</u>

#### 17. Ultimate parent company and controlling party

The ultimate parent company and the controlling party of which the Company is a member and for which Group financial statements are prepared at the reporting ate is ComfortDelGro Corporation Limited, a company incorporated in Singapore.

The registered address for ComfortDelGro Corporation Limited is ComfortDelGro Corporation Limited, 205 Braddell Road, Singapore 579701. Copies of its accounts can be obtained from the same address.

#### 18. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the group and its related parties include employee and related services and are disclosed below.

	2016 £'000	2015 £'000	As at 1 Jan-15 £'000	2016 £'000	2015 £'000	As at 1 Jan-15 £'000
<b>Amount owed by related parties</b>				<b>Amount due to related parties</b>		
Metroline Travel Limited & ComfortDelGro Corporation Limited	<u>0</u>	<u>2</u>	<u>3</u>	<u>42</u>	<u>135</u>	<u>35</u>
<b>Services provided to related parties</b>				<b>Services acquired from related parties</b>		
Metroline Travel Limited & ComfortDelGro Corporation Limited	<u>10</u>	<u>11</u>	<u>6</u>	<u>559</u>	<u>799</u>	<u>718</u>

## CityFleet Networks Limited

### Notes to the financial statements (continued) Year ended 31 December 2016

#### 19. Transition to IFRS

The Group applied IFRS 1 First-time Adoption of IFRS in preparing these first IFRS consolidated financial statements for the year ended 31 December 2016. The Accounts have been prepared under IFRS from 1 January 2016 with the comparative numbers for the year ended 31 December 2015 restated with an effective transition date of 1 January 2015. The effects of the transition to IFRS on equity and reported cash flows are presented in this section and are further explained in the notes that accompany the tables.

The effect of the Group's transition to IFRS, described in note 2, is summarised in this note as follows:

#### (i) Reconciliation of equity as previously reported under UK GAAP to IFRS

The total effect on retained earnings and equity is analysed as follows:

	Note	01-Jan-15 £'000	31-Dec-15 £'000
Equity as reported under UK GAAP		25,059	26,088
Transition adjustments recorded in profit and loss			
Reversal of goodwill amortisation	a	-	86
Effect of transition to IFRS on profit and loss		-	86
Total effect on equity		-	86
Equity as reported under IFRS		25,059	26,174

#### Explanatory notes

- (a) In accordance with IFRS transitional provisions, the Company has elected to apply IFRS relating to business combinations prospectively from 1 January 2015. As such, UK GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward without adjustment. This has resulted in the reversal of £86,000 amortisation of goodwill for the year ended 31 December 2015.

#### (ii) Adjustments to the statement of cash flows

The transition from UK GAAP to IFRS had no significant impact on cash flows generated by the Company. Under UK GAAP, the Company was exempt under FRS 1 (revised 1996) 'Cash flow statements' from the requirement to prepare a cash flow statement.

#### 20. Events after the Reporting Period

There were no adjustments required to the financial statements as a result of events after the reporting period.