Registered No 04869035

Parkeon Limited

Report and Financial Statements

31 December 2009

Directors
J E M Lindeman
Y E J Chambeau
D Hassett

Secretary
S Horton

Auditors
Deloitte LLP
Chartered Accountants and Statutory Auditors
Southampton, United Kingdom

Bankers
National Westminster Bank plc
503 Ringwood Road
Ferndown
Dorset
BH22 9BL

Solicitors
Ashfords
Ashfords House
Grenadier Road
Exeter
EX1 3LH

Registered office
10 Willis Way
Fleets Industrial Estate
Poole
Dorset
BH15 3SS

Directors' report

The directors present their report and financial statements for the year ended 31 December 2009

Results and dividends

The loss for the year, after taxation, amounted to £34,000 (2008 loss of £353,000) The directors have not recommended the payment of any dividends (2008 £nil)

Principal activities and review of the business

The principal activity of the company continues to be the installation and maintenance of parking meters and off street parking machines The business has faced the effects of the global recession in its activities in the UK Revenues have fallen as key projects were put on hold until potential customers had sufficient visibility of the impact of the recession on their activities In spite of uncertainties in the parking market Parkeon Ltd has won significant business with London Underground Limited, London Borough of Hackney, Gloucester County Council and North Devon County Council as well as major car park installations at Derry Airport (first car park installation for Parkeon in Northern Ireland), for London Borough of Richmond and for Bromsgrove District Council

The company's key financial indicators of performance for the year were as follows

	2009	*2008*
	£000	*£000*
Sales	12,844	15,905
Gross profit	1,718	2,179
Loss after tax	(34)	(353)

Financial risk management

The company uses certain financial instruments to manage the main operating risks it faces In particular the company utilises short term group borrowings and a group loan, denominated in Euros, to manage the liquidity and cash flow risks faced The company manages its interest rate exposure with no interest on short term group borrowings and fixed rates of interest on the group loan The company does not make use of forward contracts for its commitments in Euros

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and details of the company's exposure to risk are described above

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Greater emphasis on controlled parking and increased requirements for credit card and smart card functionality suggest that there will be continued high demand for effective parking solutions that the company offers On 26 August 2010 the directors received a letter of support from Parkeon SAS confirming that Parkeon SAS will continue to provide financial support in order that the company meets its financial obligations for a minimum of 12 months from the date of these accounts being signed 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 note 1

Donations

During the year the company made charitable donations of £6,616 (2008 £4,400)

Directors' report

Directors

The current directors are shown on page 1 All directors served throughout the year and to the date of signing these accounts, except as noted below

D Hassett (appointed 17/09/2009)
RM Barnes (resigned 08/02/2010)

No director had any interest in the shares of the Company or any other Group Company during the year and subsequently

Directors' statement as to disclosure of information to auditors

Each of the persons who are directors of the company at the date of approval of this report confirms that

- So far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditors are unaware, and

- Each of the directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined in the Companies Act 2006) and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s148 of the Companies Act 2006

Auditor

Deloitte LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors and signed on its behalf

S Horton
Secretary
17 January 2011

Registered No 04869035

Statement of directors' responsibilities in respect of the financial statements

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to 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

Independent auditor's report

to the members of Parkeon Limited

We have audited the financial statements of Parkeon Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

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 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

Opinion on financial statements

In our opinion the financial statements

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

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Tobias Wright

Tobias Wright (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Southampton, United Kingdom
19 January 2011

Profit and loss account

for the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Turnover	2	12,844	15,905
Cost of sales		(11,126)	(13,726)
Gross profit		1,718	2,179
Administrative expenses		(1,843)	(2,598)
Operating loss	3	(125)	(419)
Interest payable and similar charges	5	(79)	(73)
Loss on ordinary activities before taxation		(204)	(492)
Tax on loss on ordinary activities	6	170	139
Loss for the financial year transferred to reserves		(34)	(353)

All amounts relate to continuing operations

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss of £34,000 attributable to the shareholders for the year ended 31 December 2009 (2008 - loss of £353,000)

Balance sheet
at 31 December 2009

	Notes	2009 £000	2008 £000
Fixed assets			
Intangible assets	7	1,276	1,610
Tangible assets	8	-	6
		1,276	1,616
Current assets			
Stocks	9	781	835
Debtors	10	7,008	4,557
Cash at bank and in hand		1,547	659
		9,336	6,051
Creditors amounts falling due within one year	11	(8,725)	(5,746)
Net current assets		611	305
Total assets less current liabilities, being net assets		1,887	1,921
Capital and reserves			
Share capital	12	1,601	1,601
Profit and loss account surplus	13	286	320
Shareholders' funds	13	1,887	1,921

The financial statements of Parkeon Limited, registered number 04869035, were approved for issue by the Board of Directors on 17th January 2011

D Hassett
Director

Notes to the financial statements
at 31 December 2009

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Cash flow statement

The directors have taken advantage of the exemption in FRS 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes consolidated financial statements

Going concern

The Company's business activities, together with the factors likely to affect its future developments, performance and position are set out in the Business Review on page 2 The Directors' Report on page 2 describes the financial risk management objectives of the Company, and its exposure to credit risk and liquidity risk

The company has a positive cash balance The current economic conditions create uncertainty particularly over the level of demand for the company's products and the availability of bank finance in the foreseeable future

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Greater emphasis on controlled parking and increased requirements for credit card and smart card functionality suggest that there will be continued high demand for effective parking solutions that the company offers On 26 August 2010 the directors received a letter of support from Parkeon SAS confirming that Parkeon SAS will continue to provide financial support in order that the company meets its financial obligations for a minimum of 12 months from the date of these accounts being signed Thus they continue to adopt the going concern basis in preparing the financial statements

Turnover

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty

Related parties transactions

The company is a wholly owned subsidiary of Parkeon SAS, the consolidated accounts of which are publicly available Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Parkeon SAS group

Intangible fixed assets

Intangible fixed assets relate to goodwill Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life of 10 years It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Tangible fixed assets

All fixed assets are initially recorded at cost The carrying value of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Notes to the financial statements

at 31 December 2009

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

Parking equipment	-	length of the contract
Equipment	-	over 5 years
Computer equipment	-	over 3 years
Computer software	-	over 3 years

Stocks

Stocks are stated at the lower of cost, being purchase price, and net realisable value Cost comprises all costs incurred in bringing each product to its present location and condition Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal Provision is made for obsolete, slow moving or defective items where appropriate

Taxation

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 balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

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

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Pension costs

The company operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the company The annual contributions payable are charged to the profit and loss account as they fall due Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term, even if the payments are made on such a basis Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to a review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used

Notes to the financial statements

at 31 December 2009

2. Turnover

Turnover, which is stated net of VAT, represents amounts invoiced to third parties Turnover is attributable to one continuing activity, the installation and maintenance of parking meters and off street parking machines, and is derived entirely with the United Kingdom

3 Operating loss

This is stated after charging/(crediting)

		2009	*2008*
		£000	*£000*
Auditor's remuneration	- audit of the financial statements	32	23
	- non audit services	3	3
Rental income		-	(72)
Depreciation of owned fixed assets		6	24
Amortisation of goodwill		334	334
Operating lease rentals	- plant and machinery	281	243
Net (gain)/loss on foreign currency translation		(147)	388

4. Staff costs and directors emoluments

	2009	*2008*
	£000	*£000*
Wages and salaries	2,649	2,688
Social security costs	280	292
Other pension costs (note 15)	124	132
	3,053	3,112

The monthly average number of employees (including directors) during the year was as follows

	2009	*2008*
	No	*No*
Sales staff	11	12
Engineering and maintenance staff	54	54
Management and administration staff	5	6
	70	72

Directors' emoluments

	2009	*2008*
	£000	*£000*
Emoluments	126	131
Value of company pension contributions to money purchase schemes	22	20

	2009	*2008*
	No	*No*
Members of money purchase pension schemes	1	1

During the year two of the directors were remunerated for their services to the group by other group companies and it is not practicable to allocate their remuneration between the companies The directors received total emoluments of £310,000 (2008 £300,000) from Parkeon SAS

Notes to the financial statements
at 31 December 2009

5 Interest payable and similar charges

	2009 £000	2008 £000
Interest on parent company loan	79	73

6. Taxation

(a) Tax on loss on ordinary activities

The tax credit is made up as follows	2009 £000	2008 £000
Current tax		
UK corporation tax	-	(139)
Adjustment in respect of prior years	(127)	-
	(127)	(139)
Deferred tax		
Origination and reversal of timing differences	(43)	-
Tax on loss on ordinary activities	(170)	(139)

(b) Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the year is different to the standard rate of corporation tax in the UK of 28% (2008 – 28 5%) The differences are reconciled below

	2009 £000	2008 £000
Loss on ordinary activities before tax	(204)	(492)
Loss on ordinary activities multiplied by the standard rate of corporation tax	(57)	(140)
Expenses not deductible for tax purposes	12	9
Accelerated capital allowances	2	1
Tax losses carried forward	43	-
Adjustment in respect of prior years	(127)	-
Other timing differences	-	(9)
Total current tax (note 6(a))	(127)	(139)

(c) Deferred tax

The deferred tax asset provided in the financial statements is as follows

	2009 £000	2008 £000
Tax losses	43	-

At 1 January 2009	-
Provided in the year (note 6(a))	43
At 31 December 2009 (note 10)	43

Notes to the financial statements

at 31 December 2009

6 Taxation (Continued)

In addition to the recognised deferred tax asset above, there is an unprovided deferred tax asset of £22,000 (2008 £27,000) in respect of timing differences in relation to fixed assets as there is insufficient evidence that the asset will be recovered The asset would be recovered if sufficient suitable taxable profits arise in the future

Finance Act 2010

The Finance Act 2010, which provides for a reduction in the main rate of corporation tax from 28% to 27% effective from 1 April 2011, was substantively enacted on 21 July As it was not substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements in accordance with FRS21, as it is a non-adjusting event occurring after the reporting period

7. Intangible fixed assets

	Goodwill £000
Cost	
At 1 January 2009 and 31 December 2009	3,330
Amortisation	
At 1 January 2009	1,720
Charge the year	334
At 31 December 2009	2,054
Net book value	
At 31 December 2009	1,276
At 31 December 2008	1,610

8. Tangible fixed assets

	Computer equipment £000	*Parking equipment £000*	*Equipment £000*	*Computer software £000*	*Total £000*
Cost					
At 1 January 2009 and at 31 December 2009	23	160	14	11	208
Depreciation					
At 1 January 2009	23	160	8	11	202
Charge for the year	-	-	6	-	6
At 31 December 2009	23	160	14	11	208
Net book value					
At 31 December 2009	-	-	-	-	-
At 31 December 2008	-	-	6	-	6

Notes to the financial statements
at 31 December 2009

9 Stocks

	2009 £000	2008 £000
Parking machines	208	100
Spares	573	735
	781	835

There is no material difference between the balance sheet value of stocks and their replacement cost All stocks are finished goods

10. Debtors

	2009 £000	2008 £000
Trade debtors	2,794	3,727
Amounts owed by group undertakings	3,790	250
Corporation tax	149	67
Deferred tax asset (note 6(c))	43	-
Other debtors	2	28
Prepayments and accrued income	230	485
	7,008	4,557

11. Creditors: amounts falling due within one year

	2009 £000	2008 £000
Trade creditors	150	260
Amounts owed to group undertakings	6,357	3,203
Other taxation and social security	357	573
Other creditors	19	551
Accruals and deferred income	1,842	1,159
	8,725	5,746

12. Share capital

	Allotted, called up and fully paid			
		2009		2008
	No	£000	No	£000
Ordinary shares of €1 each	2,320,000	1,601	2,320,000	1,601
Ordinary shares of £1 each	1	-	1	-
		1,601		1,601

The above €1 shares have been translated at the prevailing rate on the date of acquisition

Notes to the financial statements

at 31 December 2009

13 Reconciliation of shareholders' funds and movement on reserves

	Share capital *£000*	*Profit and loss account* *£000*	*Total share-holders' funds* *£000*
At 1 January 2008	1,601	673	2,274
Loss for the year	–	(353)	(353)
At 31 December 2008	1,601	320	1,921
Loss for the year	–	(34)	(34)
At 31 December 2009	1,601	286	1,887

14. Commitments under operating leases

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

	Other than land and buildings *2009* *£000*	*2008* *£000*
Operating leases which expire		
Within one year	27	40
In two to five years	403	220
	430	260

15. Pensions

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The pension cost represents contributions payable by the company to the fund and amounted to £124,000 in the year (2008 £132,000) There were outstanding contributions payable to the fund of £19,000 (2008 £20,000) at the year end

16. Ultimate parent company and controlling party

The company's immediate parent company is Parkeon SAS, a company incorporated in France

The parent undertaking of the smallest group for which group accounts are drawn up and of which the company is a member is Parkeon SAS Copies of these accounts can be obtained from the company at 1 Boulevard Victor, Le Barjac, 75015, Paris, France

The parent undertaking of the largest group for which group accounts are drawn up and of which the company is a member is Groupe Mobipark Copies of these accounts can be obtained from the company at 1 Boulevard Victor, Le Barjac, 75015, Paris, France

Barclays Group are the ultimate controlling party, being the majority shareholder in Groupe Mobipark