

**Smart Parking Limited
(formerly known as Town and City
Parking Limited)**

Report and Financial Statements

Period Ended

30 June 2012

Company Number SC138255



Smart Parking Limited

**Report and financial statements
for the period ended 30 June 2012**

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Directors

C Leaper
R Ludbrook
D Marchant

Secretary

K Smith

Registered office

5 South Inch Business Centre, Shore Road, Perth, PH2 8BW

Company number

SC138255

Auditors

BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

Solicitor

Brodies LLP, 15 Atholl Crescent, Edinburgh, EH3 8HA

Smart Parking Limited

Report of the directors for the period ended 30 June 2012

The directors present their report together with the audited financial statements for the period ended 30 June 2012.

Results and dividends

The profit and loss account is set out on page 6 and shows the loss for the period.

The directors do not recommend payment of a dividend.

On 9 January 2012, the entire share capital of the Company was acquired by Smart Parking (UK) Limited (formerly CPT UK Company NO 1 Limited) itself a wholly owned subsidiary of Car Parking Technologies Limited of Australia ("CPT"). Following this acquisition, a number of changes took place including the following:

1. On 6 February 2012, the Company agreed to change its year end date from 31 May 2012 to 30 June 2012 and accordingly the accounts presented are for a 13 month period from 1 June 2011 to 30 June 2012.
2. On 3 December 2012, the Company changed its name from Town and City Parking Limited to Smart Parking Limited.

Principal activities, trading review and future developments

The principal activity of the company in the period under review continued to be the operating and managing of car parks both as owner/leaseholder or on behalf of third party customers.

Turnover for the 13 month period was up by £0.5m from the 12 month period to 31 May 2011. Loss before taxation decreased from £2.1m (restated) to £1.9m. This reflects the focus since the Company's acquisition by CPT, on extensive restructuring of the Company and integrating it into the Group. This has included the rolling out of technology supplied by the Group into the Company's business. It has also led to significant costs and write-offs which are more fully set out in note 2.

The parent company has injected additional share capital of £2.35m and loan capital of £1.5m which has reduced the net liability position from £1.6m (restated) to £0.9m. The financial statements are prepared on a going concern basis as the directors have secured the financial support of the ultimate parent company, Car Parking Technologies Limited. See note 1 for further comment.

The directors' view is that the core business is robust and that the restructuring programme will lead to a return to profitability. Revenues increased by 2% in the six months to 30 June 2012 compared to the previous six months pre-acquisition and have continued to increase since the end of the period under review. The restructuring measures have also begun to yield the on-going cost savings necessary to return the Company to a secure financial footing.

The following key performance indicators are monitored: Profit by site, ticket issue and recovery rates, financial performance, quality assurance and employee training and development.

The main risks for the Company are customer behaviour and competition from within the sector. The directors believe that the backing of the new parent company and access to its technology and expertise will allow the Company to be highly competitive and able to withstand any changes in demand.

Smart Parking Limited

Report of the directors for the period ended 30 June 2012 (*continued*)

Financial risks

The main financial risks arising from the company's activities are credit risk, interest rate risk and liquidity risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

The Company's policy in respect of credit risk, is to require appropriate credit checks on potential customers before sales are made.

The Company's policy in respect of interest rate risk and liquidity risk is to maintain a mixture of long term and short term debt finance and readily accessible bank deposit accounts to ensure the Company has sufficient funds for operations. The cash deposits are held in current accounts which earn interest at a floating rate. Debt is maintained at fixed interest rates.

Post balance sheet events

During January 2013, the Company obtained an overdraft from HSBC bank which is secured by its ultimate parent company, Car Parking Technologies Limited.

The company reached a settlement with HMRC on certain PAYE and VAT tax matters which is reflected in the financial statements. The majority of the liabilities arising from these assessments relate to pre-acquisition tax liabilities. The company is taking steps to recover the taxation amounts from the seller (Mr B Dickson) under the warranties and indemnities within the Sale and Purchase Agreement.

Charitable and political contributions

During the period the Company made no charitable contributions (2011 - £67). There were no political contributions.

Employment of disabled persons

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retraining of employees who become disabled whilst employed by the company.

Employee involvement

The flow of information to staff has been maintained by our staff newsletter. Members of the management team regularly visit regions and discuss matters of current interest and concern to the business with members of staff.

Directors

The directors of the company during the period were:

P Collins (appointed 9 January 2012; resigned 16 November 2012)
C Leaper (appointed 19 March 2012)
R Ludbrook (appointed 9 January 2012)
D Marchant (appointed 13 March 2012)
B Dickson (resigned 12 January 2012)
S Fraser (resigned 26 January 2012)
M Holland (resigned 13 January 2012)
J McLean (resigned 28 January 2012)
E M Montgomery (resigned 13 January 2012)

K Smith was appointed as company secretary on 29 June 2011.

Smart Parking Limited

Report of the directors for the period ended 30 June 2012 (*continued*)

Directors' responsibilities

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The auditors, BDO LLP, are deemed to be re-appointed in accordance with section 487 of the Companies Act 2006.

By order of the Board



D Marchant
Director

Date: 28TH MARCH 2013

Smart Parking Limited

Independent auditor's report

To the member of Smart Parking Limited

We have audited the financial statements of Smart Parking Limited for the period ended 30 June 2012 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes. 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 member 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 30 June 2012 and of its loss for the period 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Smart Parking Limited

Independent auditor's report (*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, 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.

BDO LLP

Neil Craig (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Glasgow
United Kingdom

28 March 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Smart Parking Limited

Profit and loss account for the period ended 30 June 2012

	Note	2012 £	2011 As restated £
Turnover	3	14,949,660	14,427,270
Cost of sales		8,783,531	8,407,181
Gross profit		6,166,129	6,020,089
Administrative expenses		7,989,116	8,060,966
Operating loss	6	(1,822,987)	(2,040,877)
Other interest receivable and similar income		3,963	767
Interest payable and similar charges	7	(100,337)	(85,819)
Loss on ordinary activities before taxation		(1,919,361)	(2,125,929)
Taxation on loss from ordinary activities	8	(325,800)	(36,169)
Loss on ordinary activities after taxation		(1,593,561)	(2,089,760)

All amounts relate to continuing activities.

The notes on pages 10 to 23 form part of these financial statements.

Smart Parking Limited

Statement of total recognised gains and losses and reconciliation of movements in shareholders' funds for the period ended 30 June 2012

	Note	2012 £	2012 £	2011 As restated £	2011 As restated £
Statement of total recognised gains and losses					
Loss for the financial period			(1,593,561)		(2,089,760)
Total recognised gains and losses in the period			(1,593,561)		(2,089,760)
Prior year adjustment	2		(1,277,340)		
Total gains and losses recognised since last annual report			(2,870,901)		
Reconciliation of movements in shareholders' funds					
Loss for the period		(1,593,561)		(2,089,760)	
Other net recognised gains and losses relating to the year:					
Issue of shares		2,350,000		-	
Net addition to shareholders' funds		756,439		(2,089,760)	
Opening shareholders' funds					
- As previously reported		(343,273)		469,147	
- Prior year adjustment		(1,277,340)		-	
Opening shareholders' funds - as restated		(1,620,613)		469,147	
Closing shareholders' funds			(864,174)		(1,620,613)

The notes on pages 10 to 23 form part of these financial statements.

Smart Parking Limited

Balance sheet at 30 June 2012

<i>Company number SC138255</i>	<i>Note</i>	2012	2012	2011	2011
		£	£	As restated	As restated
				£	£
Fixed assets					
Tangible assets	9		2,326,817		1,329,306
Current assets					
Stocks	10	402,342		196,076	
Debtors	11	3,113,376		4,759,864	
Cash at bank and in hand	12	2,509,835		2,486,178	
		<u>6,025,553</u>		<u>7,442,118</u>	
Creditors: amounts falling due within one year	13	7,672,249		9,690,974	
		<u></u>		<u></u>	
Net current liabilities			(1,646,696)		(2,248,856)
			<u></u>		<u></u>
Total assets less current liabilities			680,121		(919,550)
			<u></u>		<u></u>
Creditors: amounts falling due after more than one year	14	1,544,295		591,263	
Provisions for liabilities	15	-		109,800	
		<u></u>		<u></u>	
			1,544,295		701,063
			<u></u>		<u></u>
Net liabilities			(864,174)		(1,620,613)
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	16		2,408,104		58,104
Share premium	17		20,000		20,000
Profit and loss account	18		(3,292,278)		(1,698,717)
			<u></u>		<u></u>
Shareholders' funds			(864,174)		(1,620,613)
			<u></u>		<u></u>

The notes on pages 10 to 23 form part of these financial statements.

Smart Parking Limited

Balance sheet
at 30 June 2012 (continued)

The financial statements were approved by the board of directors and authorised for issue on 28 March 2013.



D Marchant
Director

The notes on pages 10 to 23 form part of these financial statements.

Smart Parking Limited

Notes forming part of the financial statements for the period ended 30 June 2012

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The financial statements are prepared on a going concern basis which is dependent on the continued financial support of the company's ultimate parent undertaking. The ultimate parent undertaking, Car Parking Technologies Limited, has agreed to provide such financial support to enable the company to continue as a going concern for the next twelve months.

In preparing these financial statements the company has changed certain accounting policies. Further details are given in note 2.

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Car Parking Technologies Limited and the company is included in consolidated financial statements.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax where applicable. Turnover is recognised when the service has been performed.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Land and buildings	- 2% per annum
Improvements to property	- 6.67% per annum
Plant and machinery	- 14%-25% per annum
Fixtures and fittings	- 10% per annum
Motor vehicles	- 20 % per annum

Gains and losses on disposal of fixed assets

The profit or loss on the disposal of a tangible fixed asset is accounted for in the profit and loss account of the period in which the disposal occurs as the difference between the net sale proceeds and the carrying amount, whether carried at historical cost (less any provisions made) or at a valuation.

Impairment of fixed assets

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Smart Parking Limited

Notes forming part of the financial statements for the period ended 30 June 2012 (*continued*)

1 Accounting policies (*continued*)

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately in an independently administered fund.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Smart Parking Limited

Notes forming part of the financial statements for the period ended 30 June 2012 (*continued*)

2 Prior year adjustment

As a result of the acquisition during the period by Smart Parking (UK) Limited, the company has changed its accrued vacation pay policy in order to comply with its ultimate parent company's (Car Parking Technologies Limited) accounting policy. The directors believe that the new accounting policy more accurately reflects the company's obligation for employees holiday pay. The cumulative cost of this change in accounting policy in previous years has been recognised in the financial statements as a prior year adjustment and comparative figures for the year to 31 May 2011 have been restated. The effect of implementing the accrued vacation pay policy was to increase the trading loss for the previous year by £92,908 and to reduce the value of the company's reserves at 1 June 2011 by £92,208.

It should be noted that elements of turnover, cost of sales and administration expenses shown for the year to 31 May 2011 have been reclassified in order to show consistent comparatives. £7,664,290 of direct cost categories, such as operational staff, were reallocated from administration expenses to cost of sales. Other movements are explained below.

Several fundamental errors were noted with regard to revenue recognition, fixed assets, employment taxes and value added tax affecting previous year's financial statements.

- Certain revenue was not recognised on an accruals basis. The effect of implementing the appropriate revenue recognition policy was to increase the trading revenue for the previous year by £73,645, and to increase the value of the company's reserves at 1 June 2011 by £73,645.
- A significant number of fixed assets could not be identified or located. The effect of the fixed assets error resulted in a £458,640 reduction in fixed assets and an increase in administration expenses for the year to 31 May 2011.
- Errors were noted in the recording of PAYE and VAT in previous years. The effect of the taxes error was an additional accrual of £799,437 which has been allocated appropriately between cost of sales, administration expenses and taxes payable for the year ended 31 May 2011.

3 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

Smart Parking Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

4 Employees

	2012 £	2011 £
Staff costs consist of:		
Wages and salaries	7,517,344	8,300,553
Social security costs	462,170	485,291
Other pension costs	95,359	85,957
	<u>8,074,873</u>	<u>8,871,801</u>

The average number of employees, including directors, during the period was:

	2012 Number	2011 Number
Office and management	73	102
Operations	496	521
	<u>569</u>	<u>621</u>

5 Directors

	2012 £	2011 £
Directors' remuneration consist of:		
Emoluments	387,134	395,365
Payments to defined contribution pension scheme	43,751	85,957
	<u></u>	<u></u>

There were 3 (2011 - 4) directors in the company's defined contribution pension scheme during the period.

The total amount payable to the highest paid director in respect of emoluments was £171,324 (2011 - £180,000). A pension of £32,000 (2011 - £79,500) was paid to a personal pension plan on their behalf.

Smart Parking Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

6 Operating loss

	2012	2011
	£	As restated £
This has been arrived at after charging:		
Depreciation	580,481	674,597
Loss on sale of fixed assets	274	2,046
Auditors' remuneration	22,000	17,000
Non audit services	39,750	-
Hire of land and buildings - operating leases	1,091,108	1,626,102
Hire of other assets - operating leases	523,680	322,203
Reorganisation costs	222,591	-

7 Interest payable and similar charges

	2012	2011
	£	£
Bank loans interest	27,414	27,500
Bank interest	38,446	41,072
Interest on corporation tax	-	132
Other interest payable	-	17,115
Group loans	34,477	-
	100,337	85,819

Smart Parking Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (continued)

8 Taxation on loss from ordinary activities

	2012 £	2011 £ As restated
<i>Current tax</i>		
UK corporation tax on loss of the period	-	-
Adjustment in respect of previous years	-	(36,987)
Total current tax	-	(36,987)
<i>Deferred tax</i>		
Origination and reversal of timing differences	(216,000)	818
Adjustment in respect of previous periods	(109,800)	-
Movement in deferred tax provision (See note 15)	(325,800)	818
Taxation on loss on ordinary activities	(325,800)	(36,169)

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2012 £	2011 £ As restated
Loss on ordinary activities before tax	(1,919,361)	(2,125,929)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 24% (2011 – 26%)	(460,647)	(552,742)
Effects of:		
Expenses not deductible for tax purposes	58,215	5,134
Depreciation for period in higher/(lower) than capital allowances	179,534	(8,254)
Losses carried forward	222,898	226,874
Effect of prior year adjustment	-	328,988
Adjustment in respect of previous years	-	(36,987)
Current tax charge for period	-	(36,987)

Factors that may affect future tax charges

The company has tax losses of approximately £2.2m (2011 - £0.6m) which, subject to agreement with HMRC, can be offset against future taxable income.

Smart Parking Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

9 Tangible assets

	Freehold land and buildings £	Plant & machinery £	Fixtures & fittings £	Improvement to property £	Motor vehicles £	Assets under construction £	Total £
<i>Cost or valuation</i>							
At 1 June 2011 as previously stated	612,226	2,038,393	519,027	318,468	205,091	-	3,693,205
Prior year adjustment	-	(625,174)	(250,164)	(206,155)	(126,151)	-	(1,207,644)
At 1 June 2011 as restated	612,226	1,413,219	268,863	112,313	78,940	-	2,485,561
Additions	-	1,457,353	25,811	49,874	20,500	120,245	1,673,783
Disposals	-	-	-	-	(2,626)	-	(2,626)
Impairment	-	(446,366)	(152,109)	(47,185)	-	-	(645,660)
At 30 June 2012	612,226	2,424,206	142,565	115,002	96,814	120,245	3,511,058
<i>Depreciation</i>							
At 1 June 2011 as previously stated	58,474	1,125,959	345,945	199,365	175,516	-	1,905,259
Prior year adjustment	-	(332,635)	(181,984)	(122,590)	(111,795)	-	(749,004)
At 1 June 2011 as restated	58,474	793,324	163,961	76,775	63,721	-	1,156,255
Provided for the period	80,220	416,653	68,991	-	14,617	-	580,481
Disposals	-	-	-	-	(1,253)	-	(1,253)
Impairment	-	(351,837)	(152,109)	(47,296)	-	-	(551,242)
At 30 June 2012	138,694	858,140	80,843	29,479	77,085	-	1,184,241

Smart Parking Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

9 Tangible fixed assets (*continued*)

<i>Net book value</i>						
At 30 June 2012	473,532	1,566,066	61,722	85,523	19,729	120,245
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 1 June 2011 as restated	553,752	619,895	104,902	35,538	15,219	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
						2,326,817
						<u> </u>
						1,329,306
						<u> </u>

Smart Parking Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

10 Stocks

	2012 £	2011 £
Finished goods and goods for resale	402,342	196,076

There is no material difference between the replacement cost of stocks and the amounts stated above.

11 Debtors

	2012 £	2011 £
Amounts receivable within one year:		As restated
Trade debtors	1,726,603	2,590,994
Amounts owed by group undertakings	51,627	-
Prepayments and accrued income	752,140	853,211
Directors' current account	-	1,066,260
Corporation tax	47,307	-
Other debtors	319,699	249,399
Total debtors due for payment within one year	2,897,376	4,759,864
Amounts receivable after more than one year:		
Deferred tax (see note 15)	216,000	-
	3,113,376	4,759,864

12 Cash at bank and in hand

Of the total cash at bank balance, £1,655,396 (2011 - £1,370,211) relates to funds held on behalf of clients.

Smart Parking Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

13 Creditors: amounts falling due within one year

	2012 £	2011 £
		As restated
Bank loan (secured - see note 14)	-	1,090,622
Trade creditors	1,321,080	2,511,900
Amounts owed to group undertakings	73,179	-
Corporation tax	12,000	12,000
Directors current account	-	1,221
Other taxation and social security	1,726,002	1,417,776
Accruals and deferred income	1,394,817	1,279,059
Other creditors	3,145,171	3,378,396
	<u>7,672,249</u>	<u>9,690,974</u>

14 Creditors: amounts falling due after more than one year

	2012 £	2011 £
Bank loan (secured)	-	591,263
Amounts owed to group undertakings	1,544,295	-
	<u>1,544,295</u>	<u>591,263</u>

The bank overdraft was secured by a Bond and Floating Charge over all of the assets of the Company. The security over the Oldham property was released on 29th June 2012. The charge over the Bolton property was released on 3rd July 2012. The floating charge is still in place.

Maturity of debt:

	Loans and overdrafts 2012 £	Loans and overdrafts 2011 £
In one year or less	-	1,090,622
In more than one year but not more than two years	-	240,000
In more than two years but not more than five years	-	351,263
	<u>-</u>	<u>591,263</u>

Smart Parking Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

15 Provisions for liabilities and charges

		Deferred taxation £
At 1 June 2011		109,800
Credited to profit and loss account		(325,800)
		<u>(216,000)</u>
Transferred to debtors		216,000
		<u>-</u>
Balance at 30 June 2012		
<i>Deferred taxation</i>		
	2012 £	2011 £
Accelerated capital allowances	-	(109,800)
Carried forward losses	216,000	-
	<u>216,000</u>	<u>(109,800)</u>

16 Share capital

	2012 £	2011 £
<i>Equity share capital</i>		
Ordinary shares of £1 each	2,408,104	58,104
	<u>2,408,104</u>	<u>58,104</u>

On 30 June 2012 there were 2,350,000 shares issued for £2,350,000.

17 Share premium

	2012 £
At 1 June 2011	20,000
Movement in period	-
	<u>20,000</u>
At 30 June 2012	

Smart Parking Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (*continued*)

18 Reserves

	Profit and loss account £
At 1 June 2011	
- As previously reported	(421,377)
- Prior year adjustment	(1,277,340)
- As restated	(1,698,717)
Loss for the period	(1,593,561)
At 30 June 2012	(3,292,278)

19 Commitments under operating leases

As at 30 June 2012 the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2012 £	Other 2012 £	Land and buildings 2011 £	Other 2011 £
Operating leases which expire:				
Within one year	77,160	21,050	176,140	-
In two to five years	253,207	161,424	390,022	338,052
Over five years	108,194	-	407,885	-
	438,561	182,474	974,047	338,052

Smart Parking Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 (continued)

20 Related party transactions

The company is a wholly owned subsidiary of Smart Parking (UK) Limited, itself a wholly owned subsidiary of Car Parking Technologies Limited a company listed on the Australian Securities Exchange (ASX). The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Car Parking Technology Limited or other wholly owned subsidiaries within the group.

	Balance due to related party 30 June 2012 £	Balance due from related party 30 June 2012 £
Smart Parking (UK) Limited	1,578,772	39,643
Car Parking Technologies Limited (NZ)	-	5,445
Car Parking Technologies Limited (Aus)	38,702	6,539
	<u> </u>	<u> </u>

There were no balances due to or from the above companies at 31 May 2011.

Related party transactions

B Dickson, a former director, sold his shares in the company on 9 January 2012 to Smart Parking (UK) Limited, a subsidiary of Car Parking Technologies Limited, for £1,903,867 subject to earn-out and net asset adjustments. The amount due from the previous owner for the net asset adjustment is £2,314,667. Whilst the net asset adjustment has been calculated in accordance with terms of the Sale and Purchase Agreement it should be noted that Mr B Dickson, the previous owner, disputes the amount due. The recoverability of the net asset adjustment is linked to the contingent consideration and the Car Parking Technologies Limited (CPT) share price.

In the event that the contingent consideration is insufficient to recover the net asset adjustment the Sale and Purchase Agreement provides for Car Parking Technologies to be appointed attorney and to execute a transfer of the shares owed in Car Parking Technologies Limited by Mr Dickson to a nominee to the extent that the number of shares covers the net asset adjustment.

At 30 June 2012 there was £nil (2011 - £1,066,260) outstanding from the directors and £nil (2011 - £1,221) owed to the directors. B Dickson, formerly a director, incurred a maximum outstanding loan balance of £1,328,899 during the period. In accordance with the sale agreement between the parties this loan was repaid in part by set off against the consideration payable for sale of shares. He resigned as a director during the period when his balance was £26,291. At the period end his outstanding loan balance was £22,137.

M Holland was repaid £1,221 during the period.

21 Capital commitments

	2012 £	2011 £
Contracted but not provided for	138,500	-
	<u> </u>	<u> </u>

Smart Parking Limited

Notes forming part of the financial statements
for the period ended 30 June 2012 *(continued)*

22 Ultimate parent company

The largest and smallest group in which the results of the company are consolidated is that headed by Car Parking Technologies Limited, incorporated in Australia. The consolidated accounts of this company are available to the public and may be obtained from its registered office: 945 Wellington Street, West Perth, Western Australia, Australia, 6005. No other group accounts include the results of the company.

23 Post balance sheet events

During January 2013, the company obtained an overdraft from HSBC bank which is secured by its ultimate parent company, Car Parking Technologies Limited.

After the year end, the company reached a settlement with HMRC on certain PAYE and VAT tax matters which is reflected in the financial statements. The majority of the liabilities arising from these assessments relate to pre-acquisition tax liabilities. The company is taking steps to recover the taxation amounts from the seller (Mr B Dickson) under the warranties and indemnities within the Sale and Purchase Agreement.