

WPS United Kingdom Limited

Annual Report and Financial Statements

31 December 2017

Registered number: 04211140

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WPS United Kingdom Limited

Company Information and Contents

Directors	Simon Derek Henwood Jarvis Jamie Rogers
Registered Number	04211140
Registered Office	Hazelwood House Lime Tree Way Chineham Business park Basingstoke RG24 8WZ
Independent Auditor	Deloitte LLP Statutory Auditor 1 New Street Square London EC4A 3HQ United Kingdom

WPS United Kingdom Limited

Company Information and Contents

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WPS United Kingdom Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2017. As WPS United Kingdom Limited is entitled to the small companies' exemption, no strategic report has been prepared.

Principal activities

The principal activity of the Company is the installation and maintenance of car parking equipment.

Existence of branches outside the UK

The company has no branches outside of the UK.

Financial risk management objectives and policies

The Company makes little use of financial instruments other than operational bank accounts and exposure to price risk, credit risk, liquidity risk and cash flow risk is not material to the assessment of the assets, liabilities, financial position and profit of the Company.

Cash flow risk

The Company's principal financial assets are bank balances and cash, trade and other receivables.

Credit risk

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

Credit risk is mitigated by the nature of the debtor balances owed, with these being due from entities with of a strong financial standing. The amounts in the balance sheet are net of allowances for doubtful debts.

WPS United Kingdom Limited

Directors' report

Liquidity risk

The company has access to working capital facilities via group arrangements with a number of banks in the Netherlands.

Liquidity risk and cash flow risk are managed by detailed long-term cash flow forecasting which provides comfort that the Group will be able to fund its financial obligations as they fall due.

Review of the business

The business continued to successfully grow its market share and position during 2017 with an 8% increase in turnover compared with the previous year and over 90% increase since 2013 and the implementation of our growth strategy in 2014. This is based on effective sales and marketing of our outstanding parking equipment solutions and customer support offering to our core markets which include shopping centres, local authorities, hospitals and major parking operators.

As with previous years, WPS UK has also contributed substantially to parent group funding through an annual group charge which forms part of the administrative expenses of the business.

Going Concern

In reviewing the future prospects of the Company, the Directors have considered the fact that the company has a strong order book and balance sheet, holds significant cash balances and furthermore contributes significantly to overall group funding as part of an international group of businesses. The business is successfully achieving significant improvements in sales of its market leading parking system technology and this is resulting in a substantial increase in year-on-year revenue and market position.

As a result of having made appropriate enquiries and reviewed medium term cash forecasts, Thus the Directors continue to adopt the going concern basis in preparing the accounts.

In September 2017 WPS UK secured a further £750k investment from WPS International B.V. underpinning its commitment to the ongoing business in the UK and bringing the 2016 shareholder's deficit back into a positive position.

Dividends

No dividends were declared during the year (2016: Nil).

Directors

The directors, who served throughout the year except as noted, were as follows:

J Coolen (resigned November 2017)

S Jarvis

J Rogers (appointed November 2017)

Director's indemnities

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.

Political contributions

The company made no political donations or incurred any political expenditure during the year (2016: Nil).

WPS United Kingdom Limited

Directors' report

Disabled employees

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

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee consultation

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings, the Company magazine and a special edition for employees of the annual financial statements. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

During the year the policy of providing employees with information about the Company has been continued through internal media methods. Regular meetings are held between management and employees to allow a free flow of information and ideas.

The Company operates a variety of bonus schemes to encourage employees' involvement with Company performance. The Company also operates an employee suggestion scheme aimed at encouraging employees to put forward ideas which improve the Company's operations.

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/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

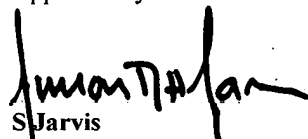
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

WPS United Kingdom Limited

Directors' report

Approved by the Board and signed on its behalf by:



S Jarvis

Director

31 October 2018

Hazelwood House

Lime Tree Way

Basingstoke

RG24 8WZ

WPS United Kingdom 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

WPS United Kingdom Limited

Independent auditor's report to the members of WPS United Kingdom Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of WPS United Kingdom Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

WPS United Kingdom Limited

Independent auditor's report to the members of WPS United Kingdom Limited

Report on the audit of the financial statements (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

WPS United Kingdom Limited

Independent auditor's report to the members of WPS United Kingdom Limited

Report on the audit of the financial statements (continued)

Report on other legal and regulatory requirements

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report and in preparing the directors report.

We have nothing to report in respect of these matters.

Use of our report

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



Makhan Chahal, ACA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

London, United Kingdom

31 October 2018

WPS United Kingdom Limited

Profit and Loss Account

For the year ended 31 December 2017

	Note	2017 £ '000	2016 £ '000
Turnover	3	5,277	4,870
Cost of sales		(2,773)	(2,340)
Gross profit		2,504	2,530
Administrative expenses		(2,605)	(2,741)
Operating loss	4	(101)	(211)
Interest receivable and similar income		-	-
Interest payable and similar expenses		(78)	(213)
Loss before taxation		(179)	(424)
Tax on loss	7	34	54
Loss for the financial year attributable to the equity shareholders of the Company		(145)	(370)

All results in the current and prior period activities are derived from continuing operations.

There were no other items of comprehensive income in respect of either 2017 or 2016. Therefore, no separate statement of comprehensive income has been presented.

WPS United Kingdom Limited

Balance Sheet

At 31 December 2017

	Note	2017 £ '000	2016 £ '000
Fixed assets			
Intangible assets	8	-	-
Tangible assets	9	57	61
Investments	10	37	37
		<u>94</u>	<u>98</u>
Current assets			
Inventories	11	345	413
Debtors	12	1,053	820
Cash and cash equivalents		279	401
		<u>1,677</u>	<u>1,634</u>
Creditors: amounts falling due within one year	13	<u>(1,141)</u>	<u>(1,731)</u>
Net current assets/(liabilities)		<u>536</u>	<u>(97)</u>
Total assets less current liabilities		630	1
Creditors: amounts falling due after more than one year	14	<u>(332)</u>	<u>(308)</u>
Net assets/(liabilities)		<u>298</u>	<u>(307)</u>
Capital and reserves			
Called-up share capital	15	1,950	1,200
Profit and loss account	15	(1,652)	(1,507)
		<u>298</u>	<u>(307)</u>
Shareholders' funds/(deficit)		<u>298</u>	<u>(307)</u>

The financial statements of WPS United Kingdom Ltd (registered number 04211140) were approved by the board of directors and authorised for issue on 31 October 2018. They were signed on its behalf by:


S. Jarvis
Director

WPS United Kingdom Limited

Statement of Changes in Equity

At 31 December 2017

	Called-up share capital £ '000	Profit and loss account £ '000	Total £ '000
At 31 December 2015	1,200	(1,137)	63
Profit and comprehensive income for the financial year	-	(370)	(370)
At 31 December 2016	1,200	(1,507)	(307)
Ordinary Share Issue	750	-	750
Loss and total comprehensive loss for the financial year	-	(145)	(145)
At 31 December 2017	<u>1,950</u>	<u>(1,652)</u>	<u>298</u>

In September 2017 WPS United Kingdom Limited raised capital by issuing 750,000 £1 shares at nominal value to WPS International B.V. by way of debt conversion. WPS International B.V. remains the sole shareholder in WPS United Kingdom Limited holding 100% of shares totalling £1.95m.

WPS United Kingdom Ltd
Notes to the Financial Statements

Year ended 31 December 2017

1. Accounting policies

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

a. General information and basis of accounting

WPS United Kingdom Ltd ('the Company') is a company incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is given on the contents page. The nature of the Company's operations and its principal activities are set out in the directors' report on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements.

The Company is consolidated in the financial statements of its ultimate parent, RCPT Beheer BV, which may be obtained at Basicsweg 16, 3821 BR, Amersfoort, the Netherlands. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

b. Going concern

In reviewing the future prospects of the Company, the Directors have considered the fact that the company has a strong order book and balance sheet and holds significant cash balances.

At 31 December 2017, the entity was in a net current asset position of £536k (2016: £97k net current liability position).

At 31 December 2017, the entity was in a net asset position of £298k (2016: £307k net liability position).

As a result of having made appropriate enquiries and reviewed medium term cash forecasts. Thus the Directors continue to adopt the going concern basis in preparing the accounts.

c. Intangible assets – goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life of 15 years.

d. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and 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 life, as follows:

Plant and machinery	33% to 50% straight line
Fixtures, fittings and equipment	10% to 20% straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

1. Accounting policies (continued)

e. Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

f. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

g. Long-term Contracts

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated at the cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses as soon as they are foreseen.

Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

h. 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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

1. Accounting policies (continued)

g. Taxation (continued)

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

h. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover 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 fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet 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.

i. Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

WPS United Kingdom Ltd
Notes to the Financial Statements

Year ended 31 December 2017

1. Accounting policies (continued)

j. Employee benefits

The Company operates a defined contribution pension scheme the Company recognises a cost equal to their contribution payable for the period in their profit or loss. For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

k. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see above); and
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

l. Leases

The Company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not 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.

m. Borrowing costs

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. Capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions around the outcome of long term contracts are based on historical experience and other factors that are considered to be relevant such as a regular and ongoing contract review processes. Actual results may differ from these estimates.

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

The directors have completed a review of the assets and liabilities and concluded that no revisions need to be made in the 2017 accounts.

3. Turnover

The turnover and results of the company for both 2017 and 2016 has been derived from its one principal activity wholly undertaken in the UK.

4. Operating Loss

	2017 £000	2016 £000
<i>Loss before taxation is stated after charging/(crediting):</i>		
Amortisation of intangibles	-	87
Depreciation and other amounts written off tangible assets	31	63
Operating lease rentals		
Motor vehicles	1,196	105
Office equipment	28	24
Auditor's remuneration – audit of these financial statements	13	10
Net gain on foreign exchange	(60)	(170)
	<hr/>	<hr/>

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £12,617 (2016: £10,000). No non-audit fees were paid to Deloitte during the year ended 31 December 2017 and 2016.

WPS United Kingdom Ltd
Notes to the Financial Statements

Year ended 31 December 2017

5. Remuneration of directors

Directors' remuneration

	2017	2016
	£000	£000
Emoluments	95	95

Remuneration of the highest paid director

	2017	2016
	£000	£000
Emoluments	87	95

In November 2017 J Coolen resigned as Director of WPS UK. J Rogers was appointed Director of WPS UK in November 2017. J Coolen was an employee of the parent company and his services to the Company do not occupy a significant amount of his time. As such the Company does not consider that any remuneration was paid to J Coolen for his services to the Company for the year ended 31 December 2017, or for the prior year.

6. Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2017	2016
Installation and service	19	19
Administration	14	14
	33	33

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£000	£000
Wages and salaries	1,126	1,136
Social security costs	118	121
Other pension costs	15	15
	1,259	1,272

WPS United Kingdom Ltd
Notes to the Financial Statements

Year ended 31 December 2017

7. Tax on Loss

The tax charge comprises:

	2017 £' 000	2016 £' 000
Current tax on Loss		
UK corporation tax	33	68
Adjustments in respect of prior years	1	(6)
Total current tax credit	34	62
Deferred tax		
Origination and reversal of timing differences	-	(8)
Total deferred tax (see note 13)	-	(8)
Total tax on loss	34	54

The flexed rate of tax applied to reported loss is 19.25 per cent (2016: 20 per cent).

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 balance sheet date.

There is no expiry date on timing differences, unused tax losses or tax credits.

The difference between the total tax charge shown above and the amount calculated by applying the rate of UK corporation tax to the loss before tax is as follows:

	2017 £' 000	2016 £' 000
Loss before tax	(179)	(424)
Tax on Loss at UK corporation tax rate of 19.25 per cent (2016: 20 per cent)	34	85
Effects of:		
- Difference between depreciation and capital allowances	(1)	(8)
- Disallowed amortisation	-	(17)
- Adjustments to tax charge in respect of previous periods	1	(6)
Total tax charge for period	34	54

WPS United Kingdom Ltd
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Year ended 31 December 2017

8. Intangible assets

	2017 £' 000	2016 £' 000
Cost		
At 1 January	1,300	1,300
At 31 December	<u>1,300</u>	<u>1,300</u>
Amortisation		
At 1 January	1,300	1,213
Charge for the year	-	87
At 31 December	<u>1,300</u>	<u>1,300</u>
Net book value		
At 31 December	<u>-</u>	<u>-</u>

Goodwill of the acquisition of UPS Ltd was being amortised over a period of 15 years, which the Directors considered to be in line with the expected useful economic life.

9. Tangible Assets

	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
Cost			
At 1 January 2017	84	459	543
Additions	-	27	27
At 31 December 2017	<u>84</u>	<u>486</u>	<u>570</u>
Depreciation			
At 1 January 2017	75	407	482
Charged in year	9	22	31
At 31 December 2017	<u>84</u>	<u>429</u>	<u>513</u>
Net book value			
At 31 December 2017	<u>-</u>	<u>57</u>	<u>57</u>
At 31 December 2016	<u>9</u>	<u>52</u>	<u>61</u>

WPS United Kingdom Ltd
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Year ended 31 December 2017

10. Investments

	Shares in subsidiary Undertakings
	£000
Cost	
At 1 January 2017 and 31 December 2017	46
Provisions	
At 1 January 2017 and 31 December 2017	(9)
Net book value	
At 31 December 2017	37
At 31 December 2016	37

The directors have based the impairment of investments on the net assets of the dormant subsidiary undertakings.

Investments

The Company has investments in the following subsidiary undertakings, associates and other significant investments.

Subsidiary undertakings	Country of incorporation or principal business address and registered address	Principal activity	Holding* %
Universal Parking Systems Ltd	England, Hazelwood House, RG24, 8WZ	Dormant	100
Cinergic Ltd	England Hazelwood House, RG24, 8WZ	Dormant	100

11. Inventories

	2017 £' 000	2016 £' 000
Finished goods and goods for resale	321	412
Contract Work In Progress	24	1
	<u>345</u>	<u>413</u>

WPS United Kingdom Ltd
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Year ended 31 December 2017

12. Debtors

	2017 £' 000	2016 £' 000
Amounts falling due within one year:		
Trade debtors	761	500
Amounts recoverable from contracts	204	267
Prepayments and accrued income	46	37
Corporation tax credit	42	16
	<u>1,053</u>	<u>820</u>

Construction Contracts:

	2017 £ '000	2016 £ '000
Contracts in progress at the balance sheet date:	204	267
Amounts due from contract customers included in debtors	(48)	(183)
Amounts due to contract customers included in creditors	<u>156</u>	<u>84</u>
Contract costs incurred plus recognised profits less recognised losses to date	1,163 (1,411)	782 (893)
Less progress billings	<u>(248)</u>	<u>(111)</u>

13. Creditors: amounts falling due within one year

	2017 £' 000	2016 £' 000
Trade creditors	177	279
Amounts owed to group undertakings	100	556
Other taxation and social security	203	182
Accruals and deferred income	661	706
Deferred tax liability	-	8
	<u>1,141</u>	<u>1,731</u>

There was no deferred tax liability in 2017 as a result of timing differences due to accelerated capital allowances (2016: £8,000).

Amounts owed to group undertakings are due 30 days after date of invoice. From 1st January 2017 interest is applicable to invoices >90 days overdue at 3.45%. Prior to this date interest was not applicable.

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Year ended 31 December 2017

14. Creditors: amounts falling due after more than one year

	2017 £' 000	2016 £' 000
Amounts owed to associates	332	308
	<u>332</u>	<u>308</u>

The interest rate for loans (indirectly) originating from the shareholder of Dynniq Group B.V. was 4% per annum in 2017 (2016: 4% per annum).

15. Called-up share capital and reserves

	2017 £ '000	2016 £ '000
1,950,000 ordinary shares of £1 each (2016: 1,200,000)	1,950	1,200
	<u>1,950</u>	<u>1,200</u>

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The profit and loss reserve of (£1,652k) (2016: (£1,507k)) represents cumulative losses, net of dividends paid and other adjustments.

In September 2017 WPS United Kingdom Limited raised capital by issuing 750,000 £1 shares at nominal value to WPS International B.V. by way of debt conversion. WPS International B.V. remains the sole shareholder in WPS United Kingdom Limited holding 100% of shares totalling £1.95m.

16. Financial commitments

Operating Leases

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
- within one year	125	126
- between one and five years	192	200
	<u>317</u>	<u>326</u>

17. Employee benefits

Defined contribution schemes

The Company operates a defined contribution retirement benefit scheme.

The total expense charged to profit or loss in the period ended 31 December 2017 was £15,000 (2016: £15,000).

WPS United Kingdom Ltd
Notes to the Financial Statements

Year ended 31 December 2017

18. Controlling party

The Company's immediate parent undertaking is WPS International BV a company registered in the Netherlands. As at 31st December 2017 the Company's ultimate parent was RCPT Beheer BV which is incorporated in the Netherlands.

The only group in which the company's results are consolidated is that headed by RCPT Beheer BV. Copies of the financial statements for this company are available from RCPT Beheer BV. The registered office of RCPT Beheer BV is located at Basicsweg 16, 3821 BR, Amersfoort, The Netherlands.