Consolidated Financial Statements 2012

Parkmobile International Holding B.V.

Contents

Consolidated statement of comprehensive income for the year ended 31 December 2012

	Notes	Year ended 31-12-2012	Year ended 31-12-2011
		US$'000	US$'000
Revenue	4	2,654	815
Personnel costs	5	-3,742	-3,129
Depreciation	8	-394	-304
Amortization	9	-1,522	-1,013
Other expenses	6	-4,729	-3,160
Total expenses		-10,387	-7,606
Operating income		**-7,733**	**-6,791**
Other income/(expenses)		-288	-
Net financial income/(expenses)		-136	-90
Result before taxes		-8,157	-6,881
Income taxes	7.1	5,927	1,327
RESULT FOR THE YEAR		-2,230	-5,554
Comprehensive income for the year: exchange differences		-31	11
Total comprehensive income for the year		-2,261	-5,543
Result for the year attributable to:			
Owners of the Company		-1,986	-4,970
Non-controlling interests		-244	-584
		-2,230	-5,554
Total comprehensive income for the year attributable to:			
Owners of the Company		-2,020	-4,960
Non-controlling interests		-241	-583
		-2,261	-5,543

Consolidated statement of financial position at 31 December 2012
(before appropriation of result)

	Notes	31-12-2012	31-12-2011
		US$'000	US$'000
Assets			
Non-current assets			
Property, plant and equipment	8	1,159	917
Deferred tax assets	7.2	7,723	2,898
Intangible assets	9	5,095	5,259
Other non-current assets	10	685	119
Total non-current assets		14,662	9,193
Current assets			
Trade and other receivables	21	3,796	608
Cash and cash equivalents	22	1,216	809
Total current assets		5,012	1,417
Total assets		19,674	10,610

Consolidated statement of financial position at 31 December 2012 – continued
(before appropriation of result)

	Notes	31-12-2012	31-12-2011
		US$'000	US$'000
Equity and liabilities			
Capital and reserves			
Share capital	12	35	31
Share premium	12	23,296	17,000
Legal reserves	13	4,513	4,544
Retained earnings	14	-16,981	-12,008
Result for the year		-1,986	-4,970
Equity attributable to owners of the Company		8,877	4,597
Non-controlling interests	15	-1,626	-1,385
Total equity		7,251	3,212
Non-current liabilities			
Borrowings	16	9,291	4,168
Deferred tax liabilities	7.2	-	1,163
Total non-current liabilities		9,291	5,331
Current liabilities			
Trade and other payables	17	3,066	2,061
Income taxes		66	6
Total current liabilities		3,132	2,067
Total liabilities		12,423	7,398
Total equity and liabilities		19,674	10,610

Consolidated statement of changes in equity for the year ended 31 December 2012

	Share capital	Share premium	Legal reserves	Retained earnings, including result for the year	Attributable to owners of the Company	Non-controlling interests	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 January 2011	31	12,000	3,058	-10,532	4,557	-802	3,755
Result for the year	-	-	-	-4,970	-4,970	-584	-5,554
Exchange differences	-	-	10	-	10	1	11
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	10	-4,970	-4,960	-583	-5,543
Capital contribution	-	5,000	-	-	5,000	-	5,000
Legal reserve	-	-	1,476	-1,476	-	-	-
Balance at 31 December 2011	31	17,000	4,544	-16,978	4,597	-1,385	3,212
Result for the year	-	-	-	-1,986	-1,986	-244	-2,230
Exchange differences	-	-	-28	-	-28	-3	-31
Other comprehensive income	-	-	-	-6	-6	6	-
Total comprehensive income for the year	-	-	-28	-1,992	-2,020	-241	-2,261
Capital contribution	-		-	-	-	-	-
Share issuance (net)	4	6,296	-	-	6,300		6,300
Legal reserve	-	-	-3	3	-	-	-
Balance at 31 December 2012	35	23,296	4,513	-18,967	8,877	-1,626	7,251

Consolidated statement of cash flows for the year ended 31 December 2012

	Notes	Year ended 31-12-2012	Year ended 31-12-2011
		US$'000	US$'000
Cash flows from operating activities			
Result for the year		-2,230	-5,554
Income taxes	7.1	-5,927	-1,327
Finance costs other - net		136	90
Other		-48	-7
Depreciation and amortisation of non-current assets	8/9	1,916	1,317
		-6,153	-5,481
Income tax paid		-	-10
Movements in working capital:			
Increase in trade and other receivables		-639	-426
Increase in trade and other payables		1,005	1,166
Net cash (used in)/generated by operating activities		-5,787	-4,751
Cash flows from investing activities			
Payments for property, plant and equipment	8	-636	-587
Payments for acquired intangible assets	9	-83	-396
Payments for internally generated intangible assets	9	-1,274	-2,346
Net cash (used in)/generated by investing activities		-1,993	-3,329
Cash flows from financing activities			
Proceeds from issue of equity shares (net)	12	3,185	-
Proceeds from capital contributions	12	-	5,000
Proceeds from borrowings	16	5,000	3,350
Received/(paid) interest		2	-5
Net cash (used in)/generated by financing activities		8,187	8,345
Net increase/(decrease) in cash and cash equivalents		407	265
Cash and cash equivalents at the beginning of the year	22	809	544
Cash and cash equivalents at the end of the year	22	1,216	809

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

1. General information

Parkmobile International Holding B.V. (the "Company"), formerly known as Malie III B.V., is a limited liability company headquartered in Europalaan 400, Utrecht, the Netherlands. The shares in the Company are held by BCD Mobile B.V. (26.58%), Parkmobile Group B.V. (22.97%), Bluefield Investments B.V. (23.87%) and Fontinalis Mobile Technologies Cooperatief U.A. (26.58%). The principal activity of the Company and its subsidiaries (the "Group") is to provide electronic and digital parking solutions. The Group is in the development stage and the activities during 2009, 2010, 2011 and 2012 were mainly related to obtain financing, setting up an operational platform, developing software and obtaining contracts.

2. Significant accounting policies

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

These financial statements do not represent the Company's statutory financial statements and may not be suitable for such purpose.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies are set out below.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

2.4 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method, except for business combinations under common control.

2.4.1 Acquisitions

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date (see 3.16.2); and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

Business combinations that took place prior to 1 January 2010 were accounted for in accordance with the previous version of IFRS 3.

2.4.2 Business combinations under common control

Business combinations under common control (“common control transactions”) are business combinations in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory. These common control transactions are accounted for using the pooling of interest method.

Under the pooling of interest method, the assets and liabilities are carried forward at their pre-combination book values, and no additional assets or liabilities are recognized as a result of the combination. Revenues and expenses are included in the consolidated statement of comprehensive income as of 1 January 2010. The difference between the consideration of the business combination and the book value of the assets and liabilities acquired is recognized in equity.

2.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances and after elimination sales within the Group.

The Group recognises revenue when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group’s activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.7 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into US$ using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. reductions in the Group's ownership interest in associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity.

2.8 Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 Retirement benefit costs

Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

2.10 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.10.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.10.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2.10.3 Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

2.11 Property, plant and equipment

Property, plant and equipment are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Group's accounting policy. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.12 Intangible assets

2.12.1 Intangible assets acquired separately

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. Amortisation of these assets commences when the assets are ready for their intended use. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

2.12.2 Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.13 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

2.15 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.16 Financial assets

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss' (FVTPL), ‘held-to-maturity' investments, ‘available-for-sale' (AFS) financial assets and ‘loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

2.16.1 Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

2.16.2 Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

2.16.3 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group’s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

2.16.4 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.17 Financial liabilities and equity instruments

2.17.1 Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2.17.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

2.17.3 Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.17.4 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.18 Derivative financial instruments

The Group did not hold any derivate financial instruments.

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

2.19 New accounting policies not yet effective for 2012

The International Accounting Standards Board ("IASB") issued several Standards, or revisions thereto, and Interpretations in 2011 and 2012, which have been endorsed by the European Union, but which are not yet effective for 2012.

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IFRS 7	Financial Instruments: Disclosures [1]
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transitio Disclosure [3]
Amendments to IFRS 10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance [1]
IFRS 9	Financial Instruments [3]
IFRS 10	Consolidated Financial Statements [1]
IFRS 11	Joint Arrangements [1]
IFRS 12	Disclosure of Interests in Other Entities [1]
IFRS 13	Fair Value Measurement [1]
Amendments to IAS 32	Offsetting of financial assets and financial liabilities [2]
IAS 19 (as revised in 2011)	Employee Benefits [4]
IAS 27 (as revised in 2011)	Separate Financial Statements [3]
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures [1]
Amendments to IFRSs	Annual Improvements to IFRSs 2009-2011 Cycle except for the amendment to IAS 11

[1] Effective for annual periods beginning on or after 1 January 2013.
[2] Effective for annual periods beginning on or after 1 January 2014.
[3] Effective for annual periods beginning on or after 1 January 2015.
[4] Effective for annual periods beginning on or after 1 January 2013: The amendments make important improvements by:

a) Eliminating an option to defer the recognition of gains and losses, known as the 'corridor method', improving comparability and faithfulness of presentation.
b) Streamlining the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income (OCI), thereby separating those changes from changes that many perceive to be the result of an entity's day-to-day operations.
c) Enhancing the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2, the board of management is 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 are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going 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.

3.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1.1 Recoverability of internally generated intangible asset

During the year, management reconsidered the recoverability of the Group's internally generated intangible asset arising from its development activities, which is included in the consolidated statement of financial position at 31 December 2012 at US$ 4,581,000 (2011: US$ 4,584,000).

The project continues to progress in a satisfactory manner and initial market reactions reconfirmed managements' previous estimates of anticipated revenues. Based on the current estimates and assumptions concerning the future outlook, management is confident that the carrying amount of the asset will be recovered in full. This situation will be closely monitored, and adjustments made in future periods if future market activity indicates that such adjustments are appropriate.

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

3.1.2 Income taxes

The Group has material tax losses carry forward positions for which deferred tax assets are recognised to the extent that it is probable that future taxable income, as estimated by management, will be available against which these tax losses can be utilised. In the event that actual results differ from these estimates in future periods, changes to the recognised deferred tax assets could be required, which would impact the income tax expense.

These deferred tax assets relate to tax jurisdictions in which the Company has suffered a tax loss in the preceding periods. Significant judgment is required in determining whether deferred tax assets are realizable. The Group determines this on the basis of expected taxable profits arising from the reversal of recognized deferred tax liabilities and on the basis of budgets, cash flow forecasts and impairment models. Where utilization is not considered probable, deferred tax assets are not recognized. The total amount of unused tax losses as of 31 December 2012 amounts to US$ 28.0 million (2011: US$ 18.5 million), of which the Company recognized US$ 28.0 million of tax losses (2011: US$ 8.7 million), resulting in a deferred tax asset on the balance sheet of US$ 8.9 million (2011: US$ 2.9 million).

4. Revenue

The following is an analysis of the Group's revenue for the year.

	Year ended 31-12-2012	Year ended 31-12-2011
	US$'000	US$'000
Revenue from the rendering of services	2,654	815

5. Personnel costs

	Year ended 31-12-2012	Year ended 31-12-2011
	US$'000	US$'000
Wages and salaries	2,794	2,458
Social security costs	200	168
Pension costs	54	50
Benefits	283	250
Bonuses/incentive compensation	250	156
Other personnel costs	161	47
	3,742	3,129

During 2012 the Group employed an average number of 38 (2011: 37) staff members.

Parkmobile USA, Inc. established the 401(k) Retirement Savings Plan (the "Plan"), covering all full-time employees. Employees may elect to contribute upto 96% of their annual compensation to the Plan subject to maximum limits set by the Internal Revenue Service. Matching contributions by the company is discretionary. The company has elected to match 100% of an employee's contribution to the Plan, not to exceed 4% of the employee's salary for the years ending 31 December 2012 and 2011. Such matching contributions are accrued at the end of the year and paid subject to meeting certain conditions as stated in the Plan. The company made no discretionary contributions for the years ended 31 December 2012 and 2011, respectively.

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

6. Other expenses

	Year ended 31-12-2012	Year ended 31-12-2011
	US$'000	US$'000
Rent	121	149
Professional fees	892	792
Travel and entertainment	423	480
Advertising	216	207
Communication	1,838	1,285
Other expenses	1,239	247
	4,729	3,160

7. Income taxes

7.1 Income tax recognised in profit or loss

	Year ended 31-12-2012	Year ended 31-12-2011
	US$'000	US$'000
Tax (income)/expense comprises:		
Current tax expense	60	6
Deferred tax (income)expense	-5,987	-1,333
Total tax (income)/expense	-5,927	-1,327

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

The tax (income)/expense for the year can be reconciled to the accounting result as follows:

	Year ended 31-12-2012	Year ended 31-12-2011
	US$'000	US$'000
Result before taxes	-8,157	-6,881
Tax calculated at domestic tax rates applicable to results in the respective countries	-2,580	-2,382
Deferred tax (income)/expense relating to unused tax losses not recognized as deferred tax asset	36	1,451
Deferred tax (income)/expense relating to unused tax losses previously unrecognised as deferred tax asset	-3,223	-445
Foreign exchange differences	-22	-
Correction previous years	-126	-
Other	-12	49
Income tax (income)/expense recognised in profit or loss	-5,927	-1,327
The weighted average statutory tax rate is respectively	32%	35%

7.2 Deferred tax balances

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts are as follows:

	31-12-2012	31-12-2011
	US$'000	US$'000
Deferred income tax assets:		
- Deferred income tax asset to be recovered after more than 12 months	8,883	2,898
- Deferred income tax asset to be recovered within 12 months	-	-
	8,883	2,898
Deferred tax liabilities:		
- Deferred income tax laibilities due after more than 12 months	807	874
- Deferred income tax liabilities due within 12 months	353	289
	1,160	1,163
Net deferred income tax liability	7,723	1,735

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

The recognized deferred tax liabilities and the recognized deferred tax assets are presented on the face of the balance sheet as follows:

	31-12-2012	31-12-2011
	US$'000	US$'000
Deferred tax assets	7,723	2,898
Deferred tax liabilities	-	-1,163
	7,723	1,735

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

	Capitalized internally developed intangible assets	Recognized deferred tax liability
	US$'000	US$'000
Temporary differences		
Balance at 1 January 2012	4,584	1,163
Amortization	-1,283	-321
Additions	1,274	319
Other	6	-1
Balance at 31 December 2012	4,581	1,160

	Tax losses-recognized	Deferred tax asset-recognized
	US$'000	US$'000
Unused tax losses and credits		
Balance at 1 January 2012	8,705	2,898
Fiscal losses for the year	8,355	2,614
Valuation allowance for the year	-	-
Foreign exchange differences	66	22
Correction previous years	1,049	126
Decrease/(increase) of valuation allowance relating to unused tax losses previously unrecognised as deferred tax asset	9,816	3,223
Balance at 31 December 2012	27,991	8,883

In 2012, a deferred tax asset amounting to US$ 3.2 million (2011: US$ 0.4 million) related to unused tax losses previously unrecognized as deferred tax asset was recognised with a corresponding profit in the income statement for 2012, as the Group expects to become profitable in the foreseeable future.

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

The total amount of unused tax losses as of 31 December 2012 amounts to US$ 28.0 million (2011: US$ 18.5 million) for which a deferred tax asset is recognized of US$ 8.9 million as of 31 December 2012 (31 December 2011: US$ 2.9 million). The majority of the unused tax losses will expire in 2019, 2020, 2021 and 2022.

Utilisation of unused tax losses may be subject to annual limitations as provided by the applicable tax regulations and are subject to the Company earning sufficient income to utilise the unused tax losses. The annual limitation may result in the expiration of the unused tax losses before utilisation.

The above-mentioned deferred tax asset relates to tax jurisdictions in which the Company has suffered a tax loss in the preceding and current period. Significant judgment is required in determining whether deferred tax assets are realizable. The Company determines this on the basis of expected taxable profits arising from the reversal of recognized deferred tax liabilities and on the basis of budgets, cash flow forecasts and impairment models. Where utilization is not considered probable, deferred tax assets are not recognized.

8. Property, plant and equipment

	31-12-2012	31-12-2011
	US$'000	US$'000
Cost	1,981	1,350
Accumulated depreciation and impairment	-822	-433
	1,159	917

	Furniture and fixtures	Computer equipment	Signage	Construction in progress	Other	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost						
Balance at 1 January 2011	86	338	-	-	339	763
Additions	-	202	137	-	248	587
Transfer	-	-	177	-	-177	-
Other	-	-	-	-	-	-
Balance at 31 December 2011	86	540	314	-	410	1,350
Additions	-	-	509	17	110	636
Other	-3	-	-1	-	-1	-5
Balance at 31 December 2012	83	540	822	17	519	1,981
Accumulated depreciation and impairment						
Balance at 1 January 2011	-26	-66	-	-	-37	-129
Depreciation expense	-29	-117	-86	-	-72	-304
Transfer	-	-	-23	-	23	-
Other	-	-	-	-	-	-
Balance at 31 December 2011	-55	-183	-109	-	-86	-433
Depreciation expense	-25	-154	-138	-	-77	-394
Other	3	-	1	-	1	5
Balance at 31 December 2012	-77	-337	-246	-	-162	-822
Net book value at 31 December 2011	31	357	205	-	324	917
Net book value at 31 December 2012	6	203	576	17	357	1,159

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

The following useful lives are used in the calculation of depreciation:

Furniture and fixtures	3-5 years
Computer equipment	3-5 years
Signage	3 years
Construction in progress	not applicable
Other	3-5 years

9. Intangible assets

	31-12-2012	31-12-2011
	US$'000	US$'000
Cost	8,012	6,654
Accumulated amortisation and impairment	-2,917	-1,395
	5,095	5,259

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

	Purchased software	Capitalized development	Total
	US$'000	US$'000	US$'000
Cost			
Balance at 1 January 2011	461	3,450	3,911
Foreign exchange differences	1	-	1
Additions	396	2,346	2,742
Transfers	19	-19	-
Balance at 31 December 2011	877	5,777	6,654
Foreign exchange differences	1	-	1
Additions	83	1,274	1,357
Balance at 31 December 2012	961	7,051	8,012
Accumulated amortisation and impairment			
Balance at 1 January 2011	-40	-342	-382
Amortisation expense	-162	-851	-1,013
Balance at 31 December 2011	-202	-1,193	-1,395
Amortisation expense	-239	-1,283	-1,522
Other	-6	6	-
Balance at 31 December 2012	-447	-2,470	-2,917
Net book value at 31 December 2011	675	4,584	5,259
Net book value at 31 December 2012	514	4,581	5,095

Capitalized development relates to internally-generated intangible assets arising from development.

The following useful lives are used in the calculation of amortisation.

Purchased software	3-5 years
Capitalized development	5 years

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

10. Other non-current assets

	2012	2011
	US$'000	US$'000
Receivable from shareholders (see also note 12)	566	-
Deposits & prepayments	119	119
	685	119

11. Subsidiaries

Details of the Company's subsidiaries at 31 December 2012 are as follows:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			31-12-12	31-12-11
Parkmobile International B.V.	Holding company	The Netherlands	90.02%	90.02%
Parkmobile USA Inc.	Electronic and digital parking solutions	United States of America	90.02%	90.02%
Parkmobile International (Australia) Pty Ltd.	Electronic and digital parking solutions	Australia	90.02%	90.02%
Parkmobile Electronic Parking Solutions Canada, Inc.	Electronic and digital parking solutions	Canada	90.02%	90.02%

12. Issued capital

	31-12-2012	31-12-2011
	US$'000	US$'000
Share capital	35	31
Share premium	23,296	17,000
	23,331	17,031
Number of shares at beginning of year	231,414	231,414
Issuance of shares	32,398	-
Number of shares at end of the year	263,812	231,414
Share capital at beginning of year	31	31
Issuance of shares	4	-
Share capital at end of the year	35	31

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

As of 31 December 2012 the authorised share capital consists of 900,000 common shares with a par value of EUR 0.10 of which 263,812 shares have been issued and fully paid (2011: 231,414). Ordinary shares carry one vote per share and carry a right to dividend. The average exchange rate used for the ordinary shares is US$ 1.3279.

During 2011, the shareholders of the Company made capital contributions in cash for an accumulated amount of US$ 5 million.

On 20 December 2012, the Company issued 32,398 new shares to its shareholders for an aggregate amount of US$ 6.3 million. Upon issuance the aggregate amount of US$ 6.3 million has been recognized as equity. The capital will be made available in cash at the discretion of the Company. At year end 2012 an amount of US$ 3.2 million has been called in cash. The remainder is recognized as trade and other receivables for the short term portion (US$ 2.5 million) and non-current assets for the long term portion (US$ 0.6 million). At the date of these financial statements the committed capital has been fully called. Management is confident that the additional funding (as described in note 24) and the aforementioned remainder of the capital call is sufficient to be able to continue as a going concern.

13. Legal Reserves

	31-12-2012	31-12-2011
	US$'000	US$'000
Foreign currency translation reserve	-68	-40
Legal reserve for internally generated intangible asset	4,581	4,584
	4,513	4,544

	2012	2011
Balance at beginning of year	4,544	3,058
Exchange differences	-28	10
Change in legal reserve internally developed intangible assets	-3	1,476
Balance at end of year	4,513	4,544

A legal reserve is established against retained earnings and relates to the capitalization of internally developed intangible assets and foreign currency translation differences. Under Dutch Law, these legal reserves are not available for dividend distribution to shareholders.

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

14. Retained earnings and dividends

	2012	2011
	US$'000	US$'000
Balance at beginning of year	-12,008	-4,834
Appropiation of result	-4,970	-5,698
Change in legal reserve internally developed intangible assets	3	-1,476
Other	-6	-
	-16,981	-12,008

In respect to the current year, the board of management proposes that no dividend will be paid to the shareholders.

15
. Non-controlling interests

	2012	2011
	US$'000	US$'000
Balance at beginning of year	-1,385	-802
Net result attributable to non-controlling interests	-244	-584
Exchange differences	-3	1
Other	6	-
Capital contribution	-	-
Balance at end of year	-1,626	-1,385

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

16. Borrowings

	31-12-2012	31-12-2011
	US$'000	US$'000
Unsecured – at amortised cost		
Loan from:		
- shareholders (below)	6,067	1,001
Subordinated loan from:		
- related party	3,224	3,167
	9,291	4,168
Current	-	-
Non-current	9,291	4,168
	9,291	4,168

The Group has a Loan Facility Agreement from its shareholders. The Loan Facility Agreement provides for borrowings of up to US$ 6.0 million and interest accrues monthly at the rate of three months EURIBOR + 75 basis points. During the year the interest amounted to 0.97%-2.11% (2011: 2.30%). The loan facility will be pari-passu with the BCD Enterprises N.V. debt. The loan facility matures November 2021. As at the date of these financial statements the facility has been fully drawn.

During 2011 the Group has fully drawn under the Subordinated Loan Agreement from related party BCD Enterprises N.V. The Subordinated Loan Agreement provides for borrowings of up to US$ 3.1 million and interest accrues monthly at the rate of three months EURIBOR + 100 basis points. During the year the interest amounted to 1.22% - 2.36% (2011: 2.01% - 2.55%). The subordinated loan facility is uncollateralized and matures November 2018.

The position of the facilities is as follows:

	US$'000
Loan facility	6,000
Used facility per 31 December 2012	6,000
Available facility per 31 December 2012	-
Subordinated loan facility	3,100
Used facility per 31 December 2012	3,100
Available facility per 31 December 2012	-

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

The movement of the borrowings during the year is:

	2012	2011
	US$'000	US$'000
Loan		
Beginning of the year	1,001	-
Proceeds	5,000	1,000
Interest accrued during year	66	1
End of the year	6,067	1,001

	2012	2011
	US$'000	US$'000
Subordinated loan		
Beginning of the year	3,167	751
Proceeds	-	2,350
Interest accrued	57	66
End of the year	3,224	3,167

17. Trade and other payables

	31-12-2012	31-12-2011
	US$'000	US$'000
Accounts payable trade	1,054	826
Wage tax payable	67	306
Other taxes and social securities	32	48
Suspense account wages	45	41
Other trade and other payables	266	123
Accrued liabilities	1,602	717
	3,066	2,061

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

18. Financial instruments

18.1 Financial risk management

The Group's activities expose it to a variety of financial risks arising from its normal business activities: credit risk, currency risk, liquidity risk, interest rate risk and capital risk. The Group seeks to minimize the effects of these risks. Risk management is an essential part of its corporate policies and is carried out by the board of management. The board of management is aware of the variety of risks and monitors the effects of these risks and events that may have an adverse effect on the Group's operations.

The Group does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

18.1.1 Credit risk

Credit risk arises from cash and cash equivalents, as well as credit exposures to customers, including outstanding receivables.

Credit risk is limited due to the nature of the Parkmobile business model which is based on credit and debit card financial transactions or stored value payment methods that utilize the same or similar infrastructure as credit and debit cards. Parkmobile is either the merchant of record ("MOR") or acts as an agent for a customer who is the MOR. If Parkmobile is the MOR, the company is responsible for collecting all parking transaction revenue including the Parkmobile fee. Since Parkmobile manages the funds collected, when parking revenue is remitted to the customer, the Parkmobile fees are concurrently remitted to the company. When Parkmobile is not the MOR, we provide monthly invoices to our customers. Our customers include municipalities, universities and commercial operators, which typically receive a high credit rating with the major ratings firms. Given this rating the credit risk is limited.

18.1.2 Currency risk

The Group's most important trading currency is US Dollar ("US$") and the Group has no significant transactions in other currencies.

18.1.3 Liquidity risk

The Group's strategy is to have sufficient cash, cash equivalents or credit facilities at any time to be able to finance its operations and investments over the next years.

Management is confident that the capital commitment (as described note 24) is sufficient to be able to continue as a going concern.

18.1.4 Interest rate risk

At 31 December 2012, if interest rates on borrowings had been 0.25% higher/lower with all other variables held constant, post-tax profit for the year would have been US$ 20,000 lower/higher (2011: US$ 7,000).

18.1.5 Capital risk

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders.

18.2 Categories of financial instruments

	31-12-2012	31-12-2011
	US$'000	US$'000
Financial assets		
Cash and bank balances	1,216	809
Trade and other receivables	3,796	608
Financial liabilities		
Trade and other payables	3,066	2,061
Borrowings	9,291	4,168

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

18.3 Fair value of financial instruments

The board of management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values. Trade and other receivables is stated net of an allowance for doubtful debt of US$ 542,000 (2011: US$ 46,000).

19. Compensation of key management personnel

Remuneration paid for key management of the Group during 2012 amounted to US$ 271,500 (2011: US$ 275,000).

20. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this Note. Details of transactions between the Group and other related parties are disclosed below.

The Group has a license agreement with Parkmobile Group B.V. in respect of electronic and digital parking solutions with options to extend the license as defined in the license agreement. The license fees are based on 6% of revenues as defined in the license agreement.

21. Trade and other receivables

	2012	2011
	US$'000	US$'000
Trade receivables	1,335	383
Allowance for doubtful debts	-542	-46
	793	337
Receivable from shareholders (see also note 12)	2,549	-
Prepaid expenses & Accrued Income	48	64
Other receivables	406	207
	3,796	608

The trade and other receivables as stated above approximate their fair values.

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

The following table specifies the aging of the trade receivables that are either past due or impaired.

	2012	2011
	US$'000	US$'000
Neither impaired nor past due on the reporting date	216	141
Not impaired on the reporting date and past due for the following periods:		
- up to 3 months	436	148
- 3 to 6 months	36	7
- over 6 months	105	41
Individually impaired on the reporting date and past due for the following periods:		
- up to 3 months	198	13
- 3 to 6 months	203	4
- over 6 months	141	29
	1,335	383

With respect to the receivables that are neither impaired nor past due on the reporting, there are no indications as of the reporting that the debtors will not meet their payment obligations.

Trade receivables that are less than three months past due are not considered impaired, unless other circumstances indicate otherwise. As of 31 December 2012, trade receivables of US$ 0.6 million (2011: US$ 0.2 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

As of 31 December 2012, trade receivables of US$ 542,000 (2011: US$ 46,000) were impaired and provided for.

Movements on the group provision for impairment of trade receivables are as follows:

	Year ended 31-12-2012	Year ended 31-12-2011
	US$'000	US$'000
Balance at beginning of the year	46	20
Impairment losses recognized on receivables	634	26
Amounts written off during the year as uncollectible	-46	-
Impairment losses reversed	-92	-
Balance at end of the year	542	46

The creation and release of provision for impaired receivables have been included in 'other expenses' in the income statement (note 6). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The other classes of trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Group does not hold any collateral as security.

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

22. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, demand deposits and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	2012	2011
	US$'000	US$'000
Cash and bank balances	1,216	809

23. Operating lease arrangements

23.1 Leasing arrangements

Operating leases relate to leases of buildings with lease terms of 4 years. The Group does not have an option to purchase the leased building at the expiry of the lease periods.

23.2 Payments recognised as an expense

	Year ended 31-12-12	Year ended 31-12-11
	US$'000	US$'000
Minimum lease payments	110	105

23.3 Non-cancellable operating lease commitments

	31-12-2012	31-12-2011
	US$'000	US$'000
Not later than 1 year	100	108
Later than 1 year and not later than 5 years	252	365
Later than 5 years	-	-
	352	473

24. Events after the reporting period

Effective 12 July 2013, Parkmobile terminated the contract with a back office system service provider for one of the Parkmobile products. The contract called for certain minimum payments to the service provider over the 5 year term of the agreement. The Company began accruing the pro rata share of the estimated year 1 payment starting in November 2012 after the product launch. Following the termination, the Company received invoices totaling US$146,583 for year 1 and year 2 of the contract, with no invoices issued earlier. Though the Company is not in agreement with the invoices received, as the system was not available for launch until February 2012, and the Company believes the relationship with the service provider can be leveraged to cancel or lower the amount invoiced, Parkmobile accrued US$ 116,667 in December 2012, which is based on the contractual amount for year 1 and the prorated contractual amount for year 2. As at the date of these financial statements, Parkmobile reached a verbal settlement for an amount of US$ 75,000.

Furthermore, the Company terminated a contract with a hosting supplier in June 2011 due to poor service. A dispute arose with this supplier about the termination payment. In order to resolve this dispute, the Company entered into mediation with the hosting supplier to avoid a lengthy and costly court trial and agreed to a settlement payment of US$100,000 with each side being responsible for their own legal fees, estimated at US$ 20,000. As of year-end 2012, we have fully provided for both the settlement payment and the estimated legal fees.

In September 2013 the Group has obtained a 10-year Loan Facility from its shareholders for an amount of up to US$ 1.75 million. The loan will be made available at the discretion of the Company and interest accrues monthly at the rate of three months EURIBOR + 75 basis points. The loan facility will be pari-passu with the BCD Enterprises N.V. debt and the US$ 6.0 million Loan Facility Agreement with its shareholders. At the date of these financial statements US$ 0.75

Notes to the consolidated financial statements
for the year ended 31 December 2012 – continued

million of the facility has been drawn. Management is confident that this Loan Facility and the aforementioned remainder of the capital call (as described in note 12) is sufficient to be able to continue as a going concern.

Parkmobile was notified on 25 September 2013 of the loss of our second largest customer (roughly twelve percent of our volume) at the resolution of a competitive bidding process. Effective 30 November 2013 Parkmobile will no longer provide its services to this customer.

No other events took place after the reporting period that requires disclosure.

25. Approval of financial statements

The financial statements were approved by the board of management and authorised for issue on _______________ 2013.

The board of management,

J.G. Drechsel

M.D. Koerselman

R.L. van Maasakker

R.H. Booth II

Other information

Result appropriation according to the Articles of Association

The articles of association of the Company provide that the appropriation of the net result of the year is decided upon at the annual general meeting of shareholders.

Result appropriation for the financial year 2011

The General Meeting of Shareholders of the Company has determined that the negative result of 2011 in the amount of US$ 4,970,000 is added to the negative retained earnings.

Proposed appropriation of result for the financial year 2012

The board of management will propose to the General Meeting of Shareholders of the Company to add the negative result of 2012 in the amount of US$ 1,986,000 to the negative retained earnings.

Post balance sheet events

Reference is made to Note 24 of the consolidated financial statements.

Independent auditor's report

The independent auditor's report has been included hereinafter.