

GPC Computer Software Limited
Financial Statements
31 December 2016



LEONHERMAN
Chartered accountant & statutory auditor
7 Christie Way
Christie Fields
Manchester
M21 7QY

GPC Computer Software Limited

Financial Statements

Year ended 31 December 2016

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GPC Computer Software Limited

Officers and Professional Advisers

Director	H Abod
Company secretary	Dr F Hadi
Registered office	Cheadle Royal Business Park Oakfield Road Cheadle Cheshire SK8 3GX
Auditor	Leonherman Chartered accountant & statutory auditor 7 Christie Way Christie Fields Manchester M21 7QY

GPC Computer Software Limited

Strategic Report

Year ended 31 December 2016

In 2014 Autocab strategically implemented a change in business model from Capital sales to Software as a Service (SaaS) through the launch of Ghost Cloud, which is the market leading taxi dispatch software system in the UK. This strategic decision will result in improved quality of earnings, enhanced revenue visibility and a predictable cash flow profile.

An impact of this strategic shift is that there will be a short term reduction in revenue and profit as customer's transition from the capital product to SaaS.

EBITDA pre investment in new product development costs in 2016 was £0.7m, compared to £1.6m in 2015. Autocab has continued to invest heavily in next generation products, with expenditure of £1.5m in 2016.

Also, in 2016 Autocab booked a £1.2m exceptional charge which relates to legacy inventory and debtors that are not recoverable and have arisen as a result of the change in business model.

The business is forecast to generate significant EBITDA in 2018, following the significant investment made in the SaaS products, complemented by growth from new products, including the market leading iGO platform, which allows consumers to book a taxi nationwide through using a single app. Autocab will also capitalise on adjacent markets, such as parcel and take away delivery.

The director is looking to raise a small amount of funds either from existing shareholders or from third parties for the company towards the end of 2017 and this funding will provide the company will sufficient capital to continue to invest in the business. At the date of approving the financial statements, the Director has no reason to believe that the shareholders will not continue to provide support to the business as required.

Principal risks and uncertainties facing the business

The company has made a loss in the year due to the change in the business model and the company is forecast to make a loss again in 2017 but a significantly reduced loss. The company is then forecast to return to profitability in 2018 and 2019 and beyond. One of the risks currently facing the business is liquidity risk which is the risk that the company will encounter difficulty in meeting its financial obligations. This risk is managed through careful cash flow and also through future cash flow projections. These cash flow projections show a requirement for further funding to see the company through the change in business model and the forecasts show that the company is forecast to have positive funds through trade in 2018 and 2019 so this funding is a short term requirement. The director is looking at raising the funds either through external parties or from existing shareholders and the existing shareholders have guaranteed their financial support for the foreseeable future. This funding will provide the company will the funds to continue trading for the foreseeable future.

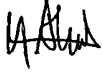
The director is aware of the risks that the current worldwide economic and trading environment bring to the business. The director meets on a regular basis with senior management where the risks and uncertainties facing the company are discussed and appropriate actions taken to mitigate any impact on the company's performance.

GPC Computer Software Limited

Strategic Report *(continued)*

Year ended 31 December 2016

This report was approved by the board of directors on 2 November 2017 and signed on behalf of the board by:



H Abod
Director

Registered office:
Cheadle Royal Business Park
Oakfield Road
Cheadle
Cheshire
SK8 3GX

GPC Computer Software Limited

Director's Report

Year ended 31 December 2016

The director presents his report and the financial statements of the company for the year ended 31 December 2016.

Director

The director who served the company during the year was as follows:

H Abod

Dividends

Particulars of recommended dividends are detailed in note 14 to the financial statements.

Future developments

The company intends to continue operating in its principal activities by researching and developing cloud based taxi data dispatch systems, cloud based taxi management software, taxi management branded apps and bespoke phone systems to enable growth internationally. Detailed future developments, strategy and key performance indicators are discussed in the strategic report.

Director's liabilities

The company has granted an indemnity to the director against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the director's report.

Going concern

The financial statements have been prepared on the going concern basis, notwithstanding the operating loss of £866,789 before exceptional costs, which the director believes to be appropriate for the following reasons. The company has changed its business model from a capital model to a SaaS model during 2015 and as with any SaaS model the business has invested significantly in Development, and has hence made a loss in 2016 as expected. The director and shareholders are fully committed to the SaaS model and there has been an increase in the number of existing customers and new customers transitioning to the new SaaS model. The company is forecasting to make a loss in the year to December 2017, but a much reduced loss and then returning to significant profitability in 2018 and beyond. The change to the new business model has also resulted in significant provisions for existing stock and debtors relating to the previous business model which are not recoverable. The exceptional costs totalled £1,181,296 and these are not expected to re-occur. The director is looking to raise funds either from existing shareholders or from third parties for the company towards the end of 2017 and this funding is required to provide the company with sufficient capital to continue to invest in the business and to continue trading for the foreseeable future. At the date of approving the financial statements, the director has no reason to believe that the shareholders will not continue to provide support to the business as required. Based on this understanding, the director believes that it remains appropriate to prepare the financial statements on a going concern basis.

GPC Computer Software Limited

Director's Report *(continued)*

Year ended 31 December 2016

Financial instruments, objectives and policies

Credit Risk

The company may offer credit terms to its customers which allow payment of the debt after rendering of services to the customer. The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships and the change to the new business model.

Liquidity Risk

Liquidity and cash flow risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk and cash flow risk by managing working capital and as a result they continue to closely monitor the working capital requirements of the business and work with the company's banker to ensure that these working capital requirements are met. The company is also aware of the legislative risks in each country in which it makes sales. There are policies and procedures in place to ensure that management remain up to date on changes to legislation.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 director is 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. He is 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.

Auditor

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

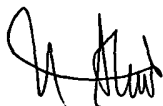
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

GPC Computer Software Limited

Director's Report *(continued)*

Year ended 31 December 2016

This report was approved by the board of directors on 2 November 2017 and signed on behalf of the board by:



H Abod
Director

Registered office:
Cheadle Royal Business Park
Oakfield Road
Cheadle
Cheshire
SK8 3GX

GPC Computer Software Limited

Independent Auditor's Report to the Members of GPC Computer Software Limited

Year ended 31 December 2016

We have audited the financial statements of GPC Computer Software Limited for the year ended 31 December 2016 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of director and auditor

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GPC Computer Software Limited

Independent Auditor's Report to the Members of GPC Computer Software Limited *(continued)*

Year ended 31 December 2016

Matters on which we are required to report by exception

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

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

Leonherman

Michael Rigby FCCA (Senior Statutory Auditor)

For and on behalf of
Leonherman
Chartered accountant & statutory auditor
7 Christie Way
Christie Fields
Manchester
M21 7QY

2 November 2017

GPC Computer Software Limited
Statement of Income and Retained Earnings
Year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	9,087,405	8,782,473
Cost of sales		(2,529,925)	(2,231,176)
Gross profit		6,557,480	6,551,297
Administrative expenses		(5,860,720)	(5,184,395)
Other operating income	5	–	111,000
Operating profit before new product development costs		696,760	1,477,902
New product development costs		(1,563,549)	(1,291,150)
Operating (loss)/profit before exceptional costs		(866,789)	186,752
Exceptional costs	10	(1,181,296)	–
Operating (loss)/profit	6	(2,048,085)	186,752
Other interest receivable and similar income	11	42,072	89,876
Interest payable and similar expenses	12	(41,588)	(61,217)
(Loss)/profit before taxation		(2,047,601)	215,411
Tax on (loss)/profit	13	398,992	7,038
(Loss)/profit for the financial year and total comprehensive income		(1,648,609)	222,449
Dividends paid and payable	14	–	(422,964)
Retained earnings at the start of the year		6,792,490	6,993,005
Retained earnings at the end of the year		5,143,881	6,792,490

All the activities of the company are from continuing operations.

The notes on pages 12 to 29 form part of these financial statements.

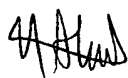
GPC Computer Software Limited

Statement of Financial Position

31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible assets	15	746	986
Tangible assets	16	<u>2,078,767</u>	<u>2,125,031</u>
		2,079,513	2,126,017
Current assets			
Stocks	17	625,032	1,468,284
Debtors	18	4,648,947	4,824,403
Cash at bank and in hand		<u>289,667</u>	<u>824,327</u>
		5,563,646	7,117,014
Creditors: amounts falling due within one year	20	<u>1,866,984</u>	<u>1,647,295</u>
Net current assets		3,696,662	5,469,719
Total assets less current liabilities		5,776,175	7,595,736
Creditors: amounts falling due after more than one year	21	631,376	801,594
Provisions			
Taxation including deferred tax	23	<u>818</u>	<u>1,552</u>
Net assets		<u>5,143,981</u>	<u>6,792,590</u>
Capital and reserves			
Called up share capital	27	100	100
Profit and loss account	28	<u>5,143,881</u>	<u>6,792,490</u>
Members funds		<u>5,143,981</u>	<u>6,792,590</u>

These financial statements were approved by the board of directors and authorised for issue on 2 November 2017, and are signed on behalf of the board by:



H Abod
Director

Company registration number: 02628523

The notes on pages 12 to 29 form part of these financial statements.

GPC Computer Software Limited

Statement of Cash Flows

Year ended 31 December 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
(Loss)/profit for the financial year		(1,648,609)	222,449
<i>Adjustments for:</i>			
Depreciation of tangible assets		123,478	146,351
Amortisation of intangible assets		240	240
Other interest receivable and similar income		(42,072)	(89,876)
Interest payable and similar expenses		41,588	61,217
Loss on disposal of tangible assets		2,262	11,634
Tax on (loss)/profit		(398,992)	(7,038)
Accrued expenses		104,523	51,365
<i>Changes in:</i>			
Stocks		843,252	(36,069)
Trade and other debtors		189,027	129,813
Trade and other creditors		(20,365)	239,400
Cash generated from operations		(805,668)	729,486
Interest paid		(41,588)	(61,217)
Interest received		42,072	89,876
Tax received/(paid)		398,258	(190,685)
Net cash (used in)/from operating activities		(406,926)	567,460
Cash flows from investing activities			
Purchase of tangible assets		(82,276)	(1,301)
Proceeds from sale of tangible assets		2,800	15,000
Net cash (used in)/from investing activities		(79,476)	13,699
Cash flows from financing activities			
Proceeds from borrowings		(127,998)	(125,348)
Payments of finance lease liabilities		(141,006)	(183,526)
Dividends paid		-	(422,964)
Net cash used in financing activities		(269,004)	(731,838)
Net decrease in cash and cash equivalents		(755,406)	(150,679)
Cash and cash equivalents at beginning of year		821,633	972,312
Cash and cash equivalents at end of year	19	66,227	821,633

The notes on pages 12 to 29 form part of these financial statements.

GPC Computer Software Limited

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The company is a private company limited by share capital incorporated in England & Wales.

The address of its registered office is:

Cheadle Royal Business Park

Oakfield Road

Cheadle

Cheshire

SK8 3GX

These financial statements were authorised for issue by the Board on 02/11/2017.

Principal Activity

The company's principal activity is the supply of innovative booking and data dispatch systems to the private hire taxi industry. The company provides the complete solution for the private hire taxi business with a range of products designed to enhance efficiency, profitability, backed up by 24/7 support and extensive customer service.

2. Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and with the Companies Act 2006.

3. Accounting policies

GPC Computer Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements have been prepared on the going concern basis, notwithstanding the operating loss of £866,789 before exceptional costs, which the director believes to be appropriate for the following reasons. The company has changed its business model from a capital model to a SaaS model during 2015 and as with any SaaS model the business has invested significantly in Development, and has hence made a loss in 2016 as expected. The director and shareholders are fully committed to the SaaS model and there has been an increase in the number of existing customers and new customers transitioning to the new SaaS model. The company is forecasting to make a loss in the year to December 2017, but a much reduced loss and then returning to significant profitability in 2018 and beyond. The change to the new business model has also resulted in significant provisions for existing stock and debtors relating to the previous business model which are not recoverable. The exceptional costs totalled £1,181,296 and these are not expected to re-occur.

The director is looking to raise funds either from existing shareholders or from third parties for the company towards the end of 2017 and this funding is required to provide the company with sufficient capital to continue to invest in the business and to continue to trade for the foreseeable future. This funding and support should enable the company to continue to trade for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on support, the director acknowledges that there can be no certainty that this support will continue although, at the date of approving the financial statements, the director has no reason to believe that the shareholders will not continue to provide support to the business as required.

The personal representatives of the estate of the late Dr Falah Abod have confirmed they will make available any financial support the company may require to continue to trade for the foreseeable future and they have also guaranteed the recoverability of the associated company balances if these are not recovered in full.

Based on this understanding, the director believes that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments which would result from the basis of preparation being inappropriate.

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Research and development

Research and development expenditure is written off to the profit and loss account in the year to which it is incurred.

Debtors

Short Term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price, less any impairment. Intercompany loans are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

GPC Computer Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are addressed below:

(1) Impairment of trade and other debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. Included within Trade Debtors is a provision amounting to £289,399 (2015: £449,237) in relation to potential bad debts.

Revenue recognition

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

Revenue is recognised once the goods have been despatched and the service has been delivered and installed and the system has gone live, or when the risks and rewards are passed to the customer, usually on the customer acceptance of the system.

Revenue is recognised on SAAS products over the license period with revenue billed in advance, deferred accordingly.

Revenue relating to rentals is recognised in the month the rental relates to, whilst income from finance leases is recognised based on the same criteria as credit sales.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Exceptional items

Exceptional items are disclosed separately in the financial statements in order to provide further understanding of the financial performance of the entity. They are material items of income or expense that have been shown separately because of their nature or amount.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

GPC Computer Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill represents the amount paid in connection with the acquisition of a business in 2000.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	- 5% straight line
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold Property	- 2% straight line
Plant and Machinery	- 25% reducing balance
Fixtures and Fittings	- 25% reducing balance
Motor Vehicles	- 25% reducing balance

GPC Computer Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Depreciation *(continued)*

The assets useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stock and work in progress

Stock and Work in progress are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Sales as operating leases are recognised over the period to which they relate. Assets in relation to these operating leases are capitalised and are depreciated over the lease term.

Sales as finance leases are charged to the profit and loss account in the period in which the sale occurs, with the debtor element of the future receipts being treated as an asset and interest receivable is recognised over the relevant period.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

GPC Computer Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

GPC Computer Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

3. Accounting policies *(continued)*

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including debtors and cash at bank and in hand balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including creditors and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as creditors: amounts falling due over one year. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

GPC Computer Software Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2016

3. Accounting policies (continued)

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2016 £	2015 £
Sale of goods	4,955,765	4,920,581
Rendering of services	4,131,640	3,861,892
	<u>9,087,405</u>	<u>8,782,473</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2016 £	2015 £
United Kingdom	8,175,300	8,105,719
Sales - Europe	235,927	174,145
Sales - Rest of World	676,178	502,609
	<u>9,087,405</u>	<u>8,782,473</u>

5. Other operating income

	2016 £	2015 £
Management charges receivable	—	111,000

6. Operating profit

Operating profit or loss is stated after charging:

	2016 £	2015 £
Amortisation of intangible assets	240	240
Depreciation of tangible assets	123,478	146,351
Loss on disposal of tangible assets	2,262	11,634
Impairment of trade debtors	—	82,154
Operating lease rentals	286,937	282,500
Foreign exchange differences	<u>(172,125)</u>	<u>10,716</u>

GPC Computer Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

7. Auditor's remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	<u>13,500</u>	<u>13,500</u>

8. Staff costs

The average number of persons employed by the company during the year, including the director, amounted to:

	2016 No.	2015 No.
Production staff	83	74
Administrative staff	11	7
Sales and Production	23	19
Research and Development	24	16
	<u>141</u>	<u>116</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016 £	2015 £
Wages and salaries	2,977,628	2,493,310
Social security costs	477,988	395,505
Other pension costs	135,768	126,934
	<u>3,591,384</u>	<u>3,015,749</u>

9. Director's remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2016 £	2015 £
Remuneration	<u>40,000</u>	<u>40,000</u>

10. Exceptional items

	2016 £	2015 £
Exceptional amounts written off current assets	<u>1,181,296</u>	<u>-</u>

In the year to 31 December 2016, GPC Computer Software Limited have booked a £1,181,296 exceptional charge which relates to legacy inventory and debtors that are no longer recoverable, a change of accounting estimate of £87,447 and a credit note provision to correct an error and these have arisen as a result of the change in business model.

GPC Computer Software Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2016

11. Other interest receivable and similar income

	2016 £	2015 £
Interest on loans and receivables	41,644	87,326
Interest on cash and cash equivalents	428	2,550
	<u>42,072</u>	<u>89,876</u>

12. Interest payable and similar expenses

	2016 £	2015 £
Interest on banks loans and overdrafts	12,105	15,993
Interest on obligations under finance leases and hire purchase contracts	24,516	45,224
Other interest payable and similar charges	4,967	—
	<u>41,588</u>	<u>61,217</u>

13. Tax on (loss)/profit

Major components of tax income

	2016 £	2015 £
Current tax:		
UK current tax income	(282,254)	—
Adjustments in respect of prior periods	(172,739)	909
Total UK current tax	(454,993)	909
Foreign current tax expense	56,735	—
Total current tax	<u>(398,258)</u>	<u>909</u>
Deferred tax:		
Origination and reversal of timing differences	(734)	(7,947)
Tax on (loss)/profit	<u>(398,992)</u>	<u>(7,038)</u>

GPC Computer Software Limited has tax losses to carry forward of £1,935,976. Tax losses of £1,946,582 have been surrendered for R&D tax credits of £282,254. Prior year tax losses of £1,257,139 have been surrendered for R&D tax credits of £172,739. The decision to surrender the prior year losses was taken after the financial statements for 31 December 2015 were approved.

GPC Computer Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

13. Tax on (loss)/profit *(continued)*

Reconciliation of tax income

The tax assessed on the loss on ordinary activities for the year is higher than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20%).

	2016 £	2015 £
(Loss)/profit on ordinary activities before taxation	(2,047,601)	215,411
(Loss)/profit on ordinary activities by rate of tax	(409,520)	43,082
Adjustment to tax charge in respect of prior periods	(172,739)	909
Effect of expenses not deductible for tax purposes	24,006	6,889
Effect of capital allowances and depreciation	9,665	18,600
Unused tax losses	482,911	–
Research & Development enhanced deduction	(389,316)	(68,571)
Movement in deferred tax	(734)	(7,947)
Overseas Tax	56,735	–
Tax on (loss)/profit	(398,992)	(7,038)

14. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2016 £	2015 £
Dividends on equity shares	–	422,964

15. Intangible assets

	Goodwill £
Cost	
At 1 Jan 2016 and 31 Dec 2016	4,080
Amortisation	
At 1 January 2016	3,094
Charge for the year	240
At 31 December 2016	3,334
Carrying amount	
At 31 December 2016	746
At 31 December 2015	986

GPC Computer Software Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2016

16. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2016	2,231,545	397,707	430,805	382,586	3,442,643
Additions	—	12,136	10,150	59,990	82,276
Disposals	—	—	—	(44,675)	(44,675)
At 31 December 2016	2,231,545	409,843	440,955	397,901	3,480,244
Depreciation					
At 1 January 2016	399,358	306,282	355,788	256,184	1,317,612
Charge for the year	44,631	23,565	19,181	36,101	123,478
Disposals	—	—	—	(39,613)	(39,613)
At 31 December 2016	443,989	329,847	374,969	252,672	1,401,477
Carrying amount					
At 31 December 2016	1,787,556	79,996	65,986	145,229	2,078,767
At 31 December 2015	1,832,187	91,425	75,017	126,402	2,125,031

Assets held for use in operating leases

Included within the net book value of £2,078,767 is assets amounting to £67,519 (2015 - £89,726) relating to assets used for use in operating leases. The depreciation charge to the financial statements in relation to these assets amounted to £22,507 (2015 - £39,864).

Hire purchase agreements

Included within the net book value of £2,078,767 is assets amounting to £75,956 (2015 - £39,864) relating to assets used for use in hire purchase leases. The depreciation charge to the financial statements in relation to these assets amounted to £12,043 (2015 - £12,928).

17. Stocks

	2016 £	2015 £
Work in progress	174,602	256,562
Finished goods and goods for resale	450,430	1,211,722
	625,032	1,468,284

GPC Computer Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

18. Debtors

	2016 £	2015 £
Trade debtors	1,430,326	1,823,517
Amounts owed by undertakings under common control	2,242,373	2,367,212
Prepayments and accrued income	72,479	144,887
Corporation tax repayable	282,254	68,125
Director's loan account	120,939	7,776
Other debtors	500,576	412,886
	<u>4,648,947</u>	<u>4,824,403</u>

The debtors above include the following amounts falling due after more than one year:

	2016 £	2015 £
Other debtors	<u>31,083</u>	<u>95,296</u>

Included within Trade Debtors is a provision amounting to £289,399 (2015: £449,237) in relation to potential bad debts.

19. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2016 £	2015 £
Cash at bank and in hand	289,667	824,327
Bank overdrafts	(223,440)	(2,694)
	<u>66,227</u>	<u>821,633</u>

20. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	351,438	128,043
Trade creditors	590,192	399,458
Accruals and deferred income	324,608	206,514
Social security and other taxes	392,022	446,656
Obligations under finance leases and hire purchase contracts	93,854	195,289
Other creditors	114,870	271,335
	<u>1,866,984</u>	<u>1,647,295</u>

The bank loans and overdrafts are secured by a debenture on the assets of the company.

The hire purchase liabilities are secured against the assets to which they relate.

GPC Computer Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

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

	2016 £	2015 £
Bank loans and overdrafts	581,973	712,620
Obligations under finance leases and hire purchase contracts	49,403	88,974
	<u>631,376</u>	<u>801,594</u>

Included within creditors: amounts falling due after more than one year is an amount of £69,983 (2015: £211,223) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

The interest on loans over 5 years is 1.25% over the base rate. For the year to 31 December 2016 the rate was 1.75%.

The bank loans and overdrafts are secured by a debenture on the assets of the company.

The hire purchase liabilities are secured against the assets to which they relate.

22. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2016 £	2015 £
Not later than 1 year	93,854	195,289
Later than 1 year and not later than 5 years	49,403	88,974
	<u>143,257</u>	<u>284,263</u>

23. Provisions

	Deferred tax (note 24) £
At 1 January 2016	1,552
Additions	(734)
At 31 December 2016	<u>818</u>

24. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016 £	2015 £
Included in provisions (note 23)	818	1,552

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016 £	2015 £
Accelerated capital allowances	818	1,552

GPC Computer Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

25. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £135,768 (2015: £126,934).

The balance outstanding at the year end as a result of the defined contribution plans is £12,519 (2015: £11,158).

26. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2016 £	2015 £
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>4,054,668</u>	<u>5,245,143</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>1,991,468</u>	<u>1,730,898</u>

27. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

28. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

29. Operating leases

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

	2016 £	2015 £
Not later than 1 year	363,346	454,363
Later than 1 year and not later than 5 years	959,339	1,022,607
Later than 5 years	—	226,464
	<u>1,322,685</u>	<u>1,703,434</u>

GPC Computer Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

30. Director's advances, credits and guarantees

During the year the director entered into the following advances and credits with the company:

2016				
	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	Balance outstanding
	£	£	£	£
H Abod	<u>7,776</u>	<u>113,538</u>	<u>(375)</u>	<u>120,939</u>

2015				
	Balance brought forward	Advances/ (credits) to the director	Amounts repaid	Balance outstanding
	£	£	£	£
H Abod	<u>—</u>	<u>7,776</u>	<u>—</u>	<u>7,776</u>

GPC Computer Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

31. Related party transactions

The company paid rent during the year to the company secretary Dr F Hadi amounting to £48,000 (2015:£48,000). Dr F Hadi is the wife of the late Dr F Abod (a former director) and mother of the current director H Abod. There is a balance of £74,913 (2015:£nil) included within debtors falling due within one year. The balance is unsecured, interest free and repayable on demand. During the year the company paid F Hadi, the mother of H Abod (director) and company secretary remuneration amounting to £40,000 (2015 - £40,000).

During the year the company paid rent to HAH Properties of £226,464 (2015:£226,464), the former director Dr F Abod held a 33% interest in HAH Properties. In addition Mr H Hadi holds a 33% share in HAH Properties and is the majority shareholder of the company.

The company raised invoices for management charges of £nil (2015:£89,609) to Crystal Finance (Europe) Limited, a company in which Mr H Hadi has a 100% interest. A sales ledger balance of £nil (2015 - £107,531) was owing from Crystal Finance (Europe) Limited at 31 December 2016. A credit note provision has been included at 31 December 2016 for a credit note raised to Crystal Finance (Europe) Limited for £89,609 (exclusive of VAT) for an invoice raised in error. The balance is unsecured, interest free and repayable on demand. Crystal Finance (Europe) Limited raised invoices to GPC Computer Software Limited of £1,863 (2015: £nil). There is a balance of £1,863 owed to Crystal Finance (Europe) Limited as at 31 December 2016. The balance is unsecured, interest free and repayable on demand.

At the balance sheet date a balance of £75,716 (2015: £115,776) is outstanding from Crystal Finance (Europe) Limited in relation to finance lease debtors.

During the year the company paid Z Abod, sister of H Abod (director) remuneration amounting to £40,000 (2015 - £40,000).

During the year the company paid S Alkateb, key management remuneration amounting to £198,038 (2015 - £204,111). There is a balance of £83,542 (2015:£18,294) included within debtors falling due within one year. The balance is unsecured, interest free and repayable on demand.

At the 31 December 2016 the director, H Abod, owes the company £120,939 (2015 - £7,776). The loan is unsecured, interest free and repayable on demand. The loan has been repaid in full to the company within 9 months of the year end.

At the 31 December 2016 the majority shareholder, Haider Hadi, owed the company £22,230 (2015: £nil). The loan is unsecured, interest free and repayable on demand.

Loans and advances have been provided for the following companies, all of which the former director, Dr F Abod deceased and Director H Abod held a controlling equity interest. All loans are provided on an interest free basis by the company, are unsecured and are repayable on demand. All outstanding debtors to the company at the 31 December 2016 are with the following associated companies:

At the 31 December 2016 Autocab Columbia Limitada owes the company £3,418 (2015 - £19,855). Net sales of £11,979 (2015: £62,821) and net purchases of £20,829 (2015: £nil) were made in the year ended 31 December 2016.

GPC Computer Software Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

At the 31 December 2016 Mobile Data Ltd (Portugal) owes the company £451,814 (2015 - £447,293). Net sales of £9,413 (2015: £12,770) were made in the year ended 31 December 2016.

At the 31 December 2016 Autocab Computer System S.L (Spain) owes the company £966,605 (2015 - £877,190). Net sales of £121,394 (2015: £35,874) were made in the year ended 31 December 2016.

At the 31 December 2016 GPC Computer Software Australia PTY Ltd owes the company £372,096 (2015 - £357,756). Net sales of £44,436 (2015: £49,262) were made in the year ended 31 December 2016.

At the 31 December 2016 Autocab Brasil com de electronicos Ltda owes the company £246,355 (2015 - £114,810). Net sales of £nil (2015: £3,151) were made in the year ended 31 December 2016.

At the 31 December 2016 Autocab Russia owes the company £21,090 (2015 - £21,090). Net sales of £nil (2015: £2,299) were made in the year ended 31 December 2016.

At the 31 December 2016 Autocab USA owes the company £3,898 (2015 - £3,898).

At the 31 December 2016 Autocab International owes the company £277,000 (2015 - £277,000).

The associated company balances listed above have been personally guaranteed to the company by the personal representatives of the estate of the late Dr F Abod if the balances are not recovered in full from the associated companies.

Included in other debtors due in less than one year at the 31 December 2016 is £216,323 (2015 - 216,323) which relates to company known as GPC Autocab Ireland. GPC Autocab Ireland was struck off from the company register in Ireland due to not having filed an annual return. The company is currently in the process of being reinstated to the register. The representatives of the estate of the late Dr F Abod have personally guaranteed to repay the amount of £216,323 to the company should GPC Autocab Ireland not be successfully reinstated. At the date of approval of the financial statements there is a very strong expectation from the director of GPC Computer Software Limited that GPC Autocab Ireland will be reinstated although the outcome is not yet known.

32. Controlling party

The ultimate control of the company lies with Mr H Hadi due to him owning the majority of the share capital.