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Smart Parking Limited (ASX: SPZ) UK business update

Smart Parking Limited (ASX: SPZ) has, through an internal audit and review process, become aware of breaches by its UK management team of the Board's corporate policies. Smart Parking UK operates in a highly regulated industry and any breach of company policy is viewed as unacceptable by the SPZ Board.

The review highlighted non-compliance in HR and operational controls which breaches the Board's customer focused strategy to build a positive and trusted brand in the UK parking enforcement market and hence a strong platform for long term growth. The review of the UK business is continuing and the Board will continue to keep the market informed of developments and any financial impact.

As a result, the Board has acted swiftly and decisively, terminating the employment of both the UK Managing Director and Finance Director. This is effective from the 15th May 2018.

SPZ's CEO and Managing Director, Paul Gillespie, has assumed the role of UK Managing Director on an interim basis. A search process has commenced to recruit new UK management.

Additionally, poor weather conditions in the UK have continued to adversely affect the use of Smart Parking UK's car parks and the issuance of parking breach notices in Q3 FY2018. April trading has also seen an impact due to delays in the roll out and go live process of new sites.

Given the combined effect of these factors, the Board expects that issuance of breach notices is likely to be impacted in Q4 by approximately 25%.

Chris Morris, Chair of Smart Parking, said, "We are disappointed that our clear and consistent Board policy on appropriate operational conduct has not been observed. Our position is to take a constructive approach in the management of our staff with a view to building strong customer relationships and delivering long term, profitable growth for shareholders.

Our UK business is well positioned to grow through the acquisition and installation of automatic number plate recognition (ANPR) systems to new locations each month. The UK business continues to win new contracts and is expanding its installed footprint in the UK."

Ends.

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