

Company number 3577772

**NCP North West Limited**

**Report and financial statements**

**For the period from 26 March 2011 to 30 March 2012**



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# **NCP North West Limited**

## **REPORT AND FINANCIAL STATEMENTS**

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# **NCP North West Limited**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

J L Cooper  
J P Scott

### **COMPANY SECRETARY**

A Campbell

### **REGISTERED OFFICE**

6th Floor Offices,  
Centre Tower,  
Whitgift Centre,  
Croydon  
Surrey CR0 1LP

### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

# **NCP North West Limited**

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for NCP North West Limited ("the Company") for the period from 26 March 2011 to 30 March 2012

### **PRINCIPAL ACTIVITIES**

The principal activity of the Company is the leasing of properties to its fellow group company, National Car Parks Limited ("NCPL") for the purposes of that company's trade. The directors do not envisage any change in the principal activity during the forthcoming period.

### **BUSINESS REVIEW**

The trading results are shown in the profit and loss account on page 5.

As at 30 March 2012, the Company had net assets of £71.2 million (2011: £67.8 million).

The directors do not recommend the payment of a dividend (period ended 25 March 2011: £nil).

### **GOING CONCERN AND FINANCIAL RESTRUCTURING**

A full and detailed assessment of going concern has been carried out by the directors in the period.

The Company is a guarantor to Group borrowings as disclosed in note 12. The Group comprises MEIF II CP Holdings 1 Limited and its subsidiaries. As a result of the ongoing difficult economic situation and trading environment, the Group was required to seek (and successfully obtained) the consent of its senior lenders and swap counterparties to a temporary deferral of its September 2011 and March 2012 financial covenant tests and certain payments that would otherwise have fallen due under the relevant facilities.

On 27 April 2012, the Group successfully completed negotiations with its shareholder, lenders and landlords, which the directors believe has placed the Group on a sustainable capital structure. The financial restructuring included a waiver of all known (or ascertainable) defaults under the Group's debt facilities. Details are provided in note 14 to these financial statements.

As part of the financial restructuring process detailed Group cash flow forecasts have been produced for a period of 18 months from the date of this report and a number of downside business case scenarios have been used as sensitivities. Based on these forecasts, the directors have concluded that preparing the financial statements on a going concern basis is appropriate.

### **DIRECTORS**

The directors who held office throughout the period and up to the date of signing the financial statements were as follows:

J P Walbridge

Resigned 4 April 2011

J L Cooper

J P Scott

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **NCP North West Limited**

## **DIRECTORS' REPORT**

### **DIRECTORS' INDEMNITIES**

The Company has maintained qualifying third party indemnity insurance throughout the period and up to the date of signing of the financial statements on behalf of its directors and officers

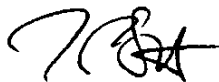
### **DISCLOSURE OF INFORMATION TO AUDITORS**

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

- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006

This directors' report has been prepared in accordance with the special provisions within Part 15 of the Companies Act 2006 relating to small companies

Approved by the board of directors  
and signed on its behalf by



J P Scott  
Director  
23 July 2012

## **NCP North West Limited**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NCP NORTH WEST LIMITED**

We have audited the financial statements of NCP North West Limited for the period ended 30 March 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **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 directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. 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 30 March 2012 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the directors' report in accordance with the small company regime



Christopher Burns (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
23 July 2012

# NCP North West Limited

## PROFIT AND LOSS ACCOUNT

For the period from 26 March 2011 to 30 March 2012

		26 March 2011 to 30 March 2012 £'000	27 March 2010 to 25 March 2011 £'000
	Note		
<b>TURNOVER</b>		1,819	1,600
Cost of sales		(1,462)	(1,288)
<b>OPERATING PROFIT</b>		357	312
Interest receivable and similar income	2	3,074	2,826
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	3,431	3,138
Tax on profit on ordinary activities	5	-	-
<b>PROFIT FOR THE FINANCIAL PERIOD</b>	9	3,431	3,138

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial period stated above and their historical costs equivalents

There were no recognised gains or losses in either period other than the result for each period. Accordingly, no statement of total recognised gains and losses is presented

All of the activities of the Company are continuing

# NCP North West Limited

## BALANCE SHEET As at 30 March 2012

Company number 3577772

	Note	30 March 2012 £'000	25 March 2011 £'000
<b>FIXED ASSETS</b>			
Tangible assets	6	180	201
<b>CURRENT ASSETS</b>			
Debtors	7	71,069	67,617
<b>NET ASSETS</b>		<u>71,249</u>	<u>67,818</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1	1
Share premium account	9	43,821	43,821
Profit and loss account	9	<u>27,427</u>	<u>23,996</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	10	<u>71,249</u>	<u>67,818</u>

The financial statements on pages 5 to 11 were approved by the board of directors on 23 July 2012 and signed on its behalf by



J P Scott  
Director





# **NCP North West Limited**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the period from 26 March 2011 to 30 March 2012**

### **1 ACCOUNTING POLICIES**

#### **Basis of accounting**

The following accounting policies have been applied consistently in both the current and preceding periods in dealing with items which are considered material in relation to the Company's financial statements. These financial statements are prepared on the going concern basis, under the historical cost accounting convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below.

#### **Basis of preparation - going concern**

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its liabilities as they fall due for the foreseeable future.

The Company acts as a guarantor in respect of Group borrowings as disclosed in note 12. The Group comprises MEIF II CP Holdings 1 Limited and its subsidiaries. At 30 March 2012, the Group had external bank borrowings of £472.6 million. As a result of the ongoing difficult economic situation and trading environment, the Group was required to seek (and successfully obtained) the consent of its senior lenders and swap counterparties to a temporary deferral of its September 2011 and March 2012 financial covenant tests and certain payments that would otherwise have fallen due under the relevant facilities.

On 27 April 2012, the Group successfully completed negotiations with its shareholder, lenders and landlords, which the directors believe has placed the Group on a sustainable capital structure. The restructuring included a waiver of all known (or ascertainable) defaults under the Group's debt facilities. Details are provided in note 14 to these financial statements.

As part of the financial restructuring process detailed Group cash flow forecasts have been produced for a period of 18 months from the date of this report and a number of downside business case scenarios have been used as sensitivities. Based on these forecasts, the directors have concluded that continuing to prepare the financial statements on a going concern basis is appropriate.

#### **Cash flow statement**

Under the provision of Financial Reporting Standard 1 'Cash flow statements' (revised 1996), the Company has not presented a cash flow statement, as its intermediate parent company, MEIF II CP Holdings 1 Limited, a company registered in England and Wales, prepares publicly available consolidated financial statements which include the results of the Company and contain a cash flow statement.

#### **Turnover**

The Company's turnover comprises gross rents receivable derived from activities performed within the United Kingdom from a single class of business and is recognised on a gross accruals basis.

#### **Tangible fixed assets**

Tangible fixed assets comprise properties in which the Company holds the beneficial ownership. Although legal title is held by fellow group companies, the risks and rewards of ownership are held by the Company.

Properties which are leased to other group companies, for use in the group's trading, are regarded as operating properties, and are stated in the financial statements at cost less accumulated depreciation. 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. Provisions in respect of impairment in value of operating properties are charged or released to the profit and loss account.

Leasehold properties with an unexpired term of greater than 50 years are classified as long leasehold properties. Other leasehold properties are classified as short leasehold properties.

Depreciation is provided on a straight-line basis over the estimated useful lives of the properties after deducting the expected residual value at the end of that life. The following rates of property depreciation are applied:

Freehold (buildings only)	-	2%
Short leasehold land and buildings	-	over term of the lease

#### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

# NCP North West Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 26 March 2011 to 30 March 2012

### 1 ACCOUNTING POLICIES (continued)

#### Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease

### 2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	26 March 2011 to 30 March 2012 £'000	27 March 2010 to 25 March 2011 £'000
<b>Profit on ordinary activities before taxation is stated</b>		
<b>After charging</b>		
Depreciation on leasehold property	21	30
Impairment of leasehold properties	-	40
Operating lease rentals on property	1,441	1,218
<b>After crediting</b>		
Rents receivable from property	1,819	1,600
Interest receivable from group undertakings	3,074	2,826

### 3 AUDITORS' REMUNERATION

The auditors' remuneration payable for the audit of the Company's financial statements of £2,000 (period ended 25 March 2011 £2,000) was borne by National Car Parks Limited, another company within the Group

### 4 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

None of the directors received any emoluments during the current and preceding periods in respect of their services to the Company. There were no employees during either period.

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge for the period was £nil (period ended 25 March 2011 £nil)

The tax assessed for the period is different from that resulting from applying the standard rate of corporation tax in the UK of 26% (period ended 25 March 2011 28%). The differences are explained below

	26 March 2011 to 30 March 2012 £'000	27 March 2010 to 25 March 2011 £'000
Profit on ordinary activities before taxation	3,431	3,138
Tax at 26% (period ended 25 March 2011 28%) thereon	(892)	(879)
Effects of		
Group relief not paid for	897	897
Impairment of property	-	(11)
Depreciation on non qualifying assets	(5)	(7)
Current tax for the period	-	-

# NCP North West Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 26 March 2011 to 30 March 2012

### 6 TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Short leasehold land and buildings £'000	Total £'000
<b>Cost</b>			
At 26 March 2011 and 30 March 2012	5	1,380	1 385
<b>Accumulated depreciation</b>			
At 26 March 2011	5	1,179	1 184
Charge for the period	-	21	21
At 30 March 2012	5	1 200	1 205
<b>Net book value</b>			
At 30 March 2012	-	180	180
At 25 March 2011	-	201	201

Included within freehold property is land with a cost of £5,000 (2011 £5,000)

### 7 DEBTORS

	30 March 2012 £'000	25 March 2011 £'000
Amounts owed by Group undertakings	71,069	67,617

Amounts owed by Group undertakings include £48,622,000 (2011 £45,548,000) which are interest bearing at rates between 6.5% and 9.9%, with the other amounts non-interest bearing. All amounts are unsecured and repayable on demand.

### 8 CALLED UP SHARE CAPITAL

	30 March 2012 £'000	25 March 2011 £'000
Authorised, allotted and fully paid 1,000 (2011 1,000) ordinary shares of £1 each	1	1

### 9 RESERVES

	Share premium account £'000	Profit and loss account £'000
At 26 March 2011	43,821	23,996
Profit for the financial period	-	3,431
At 30 March 2012	43,821	27,427

# NCP North West Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 26 March 2011 to 30 March 2012

### 10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	26 March 2011 to 30 March 2012 £'000	27 March 2010 to 25 March 2011 £'000
Profit for the financial period	3,431	3,138
Opening shareholders' funds	67,818	64,680
Closing shareholders' funds	71,249	67,818

### 11 CONTINGENT LIABILITIES

Under group registration the Company is jointly and severally liable for value added tax due by other group undertakings. At 30 March 2012, this contingent liability amounted to £1.7 million (25 March 2011: £2.4 million). Contingent guarantees are disclosed in note 12.

### 12 FINANCIAL COMMITMENTS

The Company had minimum annual commitments under operating leases of land and buildings of

	30 March 2012 £'000	25 March 2011 £'000
Operating leases which expire		
In more than one year but not more than five years	710	631
After five years	250	250
Amounts due	960	881

The Company is also obliged to make additional performance-related rental payments on a number of sites. In the period ended 30 March 2012 these amounted to £440,000 (2011: £301,000).

#### Financial guarantees

Where the Company enters into arrangements to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

#### Facilities agreement and related debenture and cross guarantees

On 23 August 2004, Primepanel Limited, a fellow group company, entered into a £73 million commercial mortgage facilities agreement with the Royal Bank of Scotland ("RBS") which was used to repay part of the £148 million senior facilities. The Company granted legal charges on certain of its properties to RBS and NatWest Lease Management Limited, a subsidiary of RBS, as security for the commercial mortgage facilities agreement.

On 8 March 2007, the £385 million senior facilities agreement with Royal Bank of Canada ("RBC") and £44 million junior facilities agreement were replaced with a new £500 million senior facilities agreement with RBC. The facility was entered into by MEIF II CP Holdings 3 Limited, which on 19 March 2007 became an intermediate parent company of the Company. The facility allows the participating group to senior debt facility of £425 million, working capital facility of £25 million and capex facility of £50 million.

On 27 July 2007 the Company entered as a guarantor to the new £500 million senior facilities agreement with RBC.

On 22 December 2011, a new super senior revolving credit facility totalling £6 million was taken out by MEIF II CP Holdings 3 Limited, to provide working capital for the group. The facility is secured by the same charge and guarantees as the RBC senior facility.

#### Tax deed guarantees

In 2002, Primepanel Limited, a fellow group company, entered into a tax deed with a third party, Bishopsgate Parking Limited ("Bishopsgate"). The Company guaranteed Primepanel Limited's obligations under this deed.



## **NCP North West Limited**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the period from 26 March 2011 to 30 March 2012**

#### **12 FINANCIAL COMMITMENTS (continued)**

##### **Lease and remedial works guarantees**

On 8 September 2003, National Car Parks Limited ("NCPL"), a fellow group company, entered into two renewal lease agreements in favour of Bishopsgate and Bishopsgate Parking (No 2) Limited ("Bishopsgate No 2") in respect of leases over various premises. The Company guaranteed NCPL's obligations under these agreements. On 23 September 2003, the Company entered into a lease guarantee under which it is liable for the payment of the rents and other obligations of NCPL as tenant under various leases.

On 17 November 2003, NCPL entered into a charge over accounts and deposit agreement in favour of Bishopsgate No 2, and a deed of covenant in respect of remedial works in favour of Bishopsgate No 2. This deed was guaranteed by a number of group companies.

On 27 July 2007, the Company entered into a cross-guarantee arrangement with the other members of the MEIF Group to offer security of its rights, title and interest held by NCPL towards the payment of all liabilities of the members of the MEIF Group.

#### **13 RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption under paragraph 3(c) of Financial Reporting Standard 8 'Related party disclosures' on the grounds that it is a wholly owned subsidiary of a group headed by MEIF II CP Holdings 1 Limited, whose financial statements are publicly available.

#### **14 POST BALANCE SHEET EVENT - FINANCIAL RESTRUCTURING**

On 27 April 2012, the Group completed negotiations with its shareholder, lenders and landlords aimed at placing the group on to a sustainable capital structure.

Under the Restructuring, the Group

- received an injection of new share capital of £50 million,
- received a waiver of £298 million of shareholder debt and accrued interest,
- received a waiver of £349 million comprising part of its external debt and accrued interest, and settled liabilities relating to its senior debt facility, in return for a 15% equity share in the Group,
- negotiated rent reductions and early lease surrenders with landlords, and
- incurred transaction costs of £17.3 million, comprising professional fees and lease amendment fees.

Under the Restructuring, no adjustments are required to the Company's financial statements.

#### **15 ULTIMATE PARENT AND CONTROLLING PARTY**

The Company's ultimate parent and controlling party is Macquarie European Infrastructure Fund II, an English limited partnership with its registered office at 3rd Floor, 10 Lefebvre Street, St Peter Port, Guernsey, GY1 2PE. The parent undertaking of the largest group which includes the Company and for which consolidated financial statements are prepared is Macquarie European Infrastructure Fund II. The parent undertaking of the smallest such group is MEIF II CP Holdings 1 Limited, a company incorporated in Great Britain. Copies of the consolidated financial statements of MEIF II CP Holdings 1 Limited are available from Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD.

The Company's immediate parent company and controlling party is National Car Parks Group Limited, a company incorporated and registered in England.

