Company number 6133791

MEIF II CP Holdings 1 Limited

Report and financial statements

For the period ended 30 March 2012

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Company number 6133791

MEIF II CP Holdings 1 Limited

REPORT AND FINANCIAL STATEMENTS

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Company number 6133791

MEIF II CP Holdings 1 Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G I W Parsons
J P Walbridge
J S J Milne
J L Cooper
J P Scott
A Bell

COMPANY SECRETARY

J S J Milne

REGISTERED OFFICE

Ropemaker Place
28 Ropemaker Street,
London,
EC2Y 9HD

BANKERS

The Royal Bank of Scotland plc
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London EC2M 3UR

Royal Bank of Canada Europe Limited
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London EC4V 4DE

National Westminster Bank plc
1 Princes Street
London EC2R 8PA

INDEPENDENT AUDITORS

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

DIRECTORS' REPORT

The directors present their report and the audited consolidated financial statements for MEIF II CP Holdings 1 Limited (the "Company") and its subsidiaries, together (the "Group") for the period ended 30 March 2012

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company The directors do not envisage any change during the forthcoming period

The principal activity of the Group is the management and operation of car parks National Car Parks Limited ("NCP"), the main trading entity, is the UK market leader in the provision of off street parking services Its operational strength is driven by a number of factors including

- *Prime locations* - enabling NCP to have a visible presence in UK main city centres which give the Group a distinct competitive edge at a local level and unparalleled geographical breadth across the UK These enable the business to diversify its risk and not to rely on one key area or contract
- *Strong brand recognition* – the NCP brand is the most widely recognisable parking brand in the UK
- *A high proportion of long term lease contracts* - with a high proven historical renewal rate, which underpin a stable cash income
- *Advanced technology* – NCP uses IT and automation to optimise its operating model and provide a competitive edge in bidding for new sites or in the renewal of contracts

NCP has a strong market position in the areas of off-street and rail parking and provides airport car parking to a number of regional airports The Group will continue to seek to expand its car parking activities wherever suitable opportunities arise

FINANCIAL RESTRUCTURING

Following the global financial crisis the profitability of the Group had deteriorated for a number of reasons, principally

- a moderate contraction in demand for car park services as a result of the difficult economic circumstances,
- an increase in the supply of parking, as stalled building projects have meant that developers have used the sites as temporary car parks, and
- inflexible and escalating property rental costs resulting from long-term leases and business rates

At 30 March 2012, the Group had senior debt of £467 6 million under its facilities with Royal Bank of Canada ("RBC") due for repayment in March 2014 In the financial statements for the year ended 31 March 2011, the directors noted that a further cash injection from the Group's ultimate parent, Macquarie European Infrastructure Fund II ("MEIF 2"), was expected to be required to ensure covenant compliance and adequate liquidity It was further noted that such cash injection would be dependent on discussions with the Group's senior lenders and landlords to ensure that the Group would be placed on a sustainable capital structure

Following such discussions, a financial restructuring was successfully concluded on 27th April 2012 when the following changes were made to the Group's capital structure and operating cost base

- new equity of £50 million was provided by MEIF 2, the majority of which will be available to provide liquidity for the future needs of the Group,
- pursuant to a Scheme of Arrangement, the RBC senior debt was reduced to £140 million (including all third party liabilities in respect of the existing interest rate swaps) with its maturity extended to March 2018 Including the mark-to-market liabilities on the interest rate swaps, this represents a debt reduction of approximately 80% In return, senior lenders and swap counterparties were given a 15% equity stake in the Company, and
- permanent rent reductions of £11 million were achieved on targeted sites where the rent being paid was judged to be in excess of market rates

The restructure transforms the balance sheet In these financial statements the Group has net liabilities of £634 million at 30 March 2012 Had the restructure been complete by that date, it would instead have shown net assets of £56 million A summary proforma net asset position showing the effect of the restructure is shown below

DIRECTORS' REPORT (continued)

FINANCIAL RESTRUCTURING (continued)

	Group Audited Actual 2012 £m	Group Unaudited Proforma 2012 £m
Fixed assets	248	248
Net current (liabilities)/assets	(529)	9
Total assets less current liabilities	(281)	257
Creditors amounts falling due after more than one year	(316)	(164)
Provisions for liabilities and net pension scheme asset	(37)	(37)
NET (LIABILITIES)/ASSETS	**(634)**	**56**

The impact of the financial restructure will provide liquidity to enable the business to be resilient to the continuing difficult trading conditions Further, the reduced rents and a reduction in interest charges on the senior debt will assist the Group to return to profitability and to generate cash

Further details of the restructure are included in Note 29

BUSINESS ENVIRONMENT

Consumer parking demand is dependent on conditions in the retail, commuting and travel market The continuing difficult economic environment in the UK, including the impact of continued high fuel prices reducing car usage, has led to a further decline in the number of people parking their vehicles across most of the Group's sites

The Group operates in a competitive environment It is the largest private operator in the country and whilst there are no competitors that can offer the geographical coverage that the Group provides, there is strong competition at a local and regional level, with its main competitors being local authorities, Q-Parks, APCOA and Vinci There is also additional supply in the current environment, with temporary cheap car parks on sites earmarked for development but where development plans have been deferred

MARKET STRATEGY

The Group is pursuing a number of growth options with a view to improving turnover, growing market share and increasing profitability These include continued involvement in partnerships with local authorities, rail operators and airports A number of new car park contracts have been won during the period, notably at a Heathrow hotel, Milton Keynes and a London hotel The Group is also focused on site intensification, maximising the potential of each of its car parks by seeking additional sources of revenue where feasible, ensuring that pricing is optimised taking into account the location and potential customers that the car parks serve and that car parks are maintained and manned to an appropriate level

The Group believes that continued investment in technology will play an important role in retaining existing customers and winning new business The Group's investment in this area enables NCP to sustain its competitive edge in providing enhanced services to its customers including the introduction of cashless parking using mobile technology, a national parking account card (Gateway), a national operating centre and a centrally monitored national CCTV operation

BUSINESS REVIEW

The Group's results for the period from 1 April 2011 to 30 March 2012 show that trading continues to be impacted by the difficult external economic environment The financial results are shown in the profit and loss account on page 11

Overall the business achieved stable like for like sales in its off-street car parks This was caused by a decline in volumes offset by an increase in tariff prices following a regular detailed review across all car parks of pricing levels Season ticket sales have seen some modest growth in the period

During the period a number of cost saving initiatives have been undertaken which have reduced the operating costs of the business, both in terms of headcount and supporting supply contracts All have been implemented without impacting existing customer service levels or revenue generating capability Despite these, operating costs have continued to increase overall as a consequence of increased property rents, due to contractual rent escalation clauses

DIRECTORS' REPORT (continued)

BUSINESS REVIEW (continued)

The Group has achieved considerable success in managing its property portfolio, including negotiating compensation payments on a number of sites from developers and landlords, with further such deals under negotiation

The reduced profitability for the year, together with reduced expectations for subsequent years due to a delayed improvement in the economic environment, has significantly reduced the estimated value of the group, resulting in a goodwill impairment charge of £277 1 million being recognised at the year end, in addition to the £62 7 million recognised at March 2011

As part of the Group financial restructuring, annualised rent reductions of £11 million have been achieved for future years Costs of £10 8 million were incurred in the period in negotiating the restructuring with shareholder, lenders and landlords, with a further £6 5 million incurred after the period end

Capital expenditure was concentrated in the period on meeting the Group's commitment to health and safety standards

The Group relied 100% on green energy during the period and was signed up as part of the "Source London" initiative to provide a significant level of charging points in London over the medium term

Operational strategy has continued to focus on the customer experience with the development of minimum standards, implementing a sustained programme of operational excellence and continued investment in e-commerce

The Board anticipates that trading for the year to March 2013 will continue to be impacted by the difficult economic environment, but remains of the view that the correct strategy is in place for the Group's results to improve significantly as conditions improve

KEY PERFORMANCE INDICATORS

The board monitors the Group's performance in a number of ways including key performance indicators The key financial and non financial performance indicators together with the comparative information for 2011 are as follows

	2012 £'000	2011 £'000
Turnover	**228,592**	**233,001**
Off street like for like sales growth	**0 0%**	**2 6%**
Operating loss	**(336,715)**	**(90,831)**
Add back depreciation	13,891	16,571
Add back amortisation	29,887	33,731
Add back impairment	292,327	62,653
Add back loss on disposal of fixed assets	552	-
Add back exceptional costs of financial restructuring	10,833	-
Earnings before interest, tax, depreciation, amortisation and exceptional items (EBITDAE)	**10,775**	**22,124**
Movement in provisions charged/(credited) to profit and loss account	4,401	(2,209)
EBITDAE excluding movement in provisions	**15,176**	**19,915**
EBITDAE as a percentage of gross receipts	**4 0%**	**7 9%**
EBITDAE excluding movement in provisions as a percentage of gross receipts	**5 6%**	**7.1%**
Other relevant KPIs		
Number of transactions ('000) (number of visits)	43,831	47,945
Cash at bank and in hand	25,302	26,142
Capital expenditure	3,847	11,385
Employees (average number)	1,374	1,525
Staff absence %	4 5%	3 8%

KEY PERFORMANCE INDICATORS (continued)

EBITDAE is used by the board to measure profitability because headline statutory numbers are difficult to interpret due to the number of non cash accounting items within statutory profit EBITDAE is also the key measure required for covenants testing purposes The main reconciling items between operating loss and EBITDAE are depreciation, amortisation, impairment, profit or loss on sale of assets and exceptional items

The reduction in turnover, customer volumes and employees relate mainly to the difficult economic environment and the loss of sites at Gatwick Airport in July 2010 The increased operating loss for the period is due to the impairment charge recognised following the annual review of the value of the business and the restructuring costs The reduction in EBITDAE excluding movement in provisions from £19 9 million in 2011 to £15 2 million in 2012 is a consequence of increased property rents, due to contractual rent escalation clauses

During the period the Group obtained an additional super senior working capital facility of £6 million, of which £5 million was drawn down in March 2012 to provide liquidity

The consolidated balance sheet on page 13 of the financial statements shows that the Group's financial position as at 30 March 2012 is £634 3 million net liabilities (31 March 2011 £226 5 million net liabilities) As detailed in note 29 to the financial statements, had the restructuring been completed at 30 March 2012 the Group balance sheet would have shown net assets of £56 2 million

GOING CONCERN AND FINANCIAL RESTRUCTURING

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

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 29 to the financial statements

As part of the financial restructuring process detailed 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

DIVIDEND

The directors do not recommend the payment of a dividend (2011 £nil)

FINANCIAL RISK MANAGEMENT

The directors regularly consider the effect of risk on the Group's business and together with the internal risk management department work to limit any adverse financial exposure The principal risks the Group is exposed to are strategic risk, external and market risk, financial risk, commercial risk, operational risk and regulatory risk

Strategic risk

Risks likely to affect the long term performance of the Group as a whole include, reputation, change management, sales forecasting, plans for growth and performance management (including financial, operational and people elements) The leadership team and board oversee controls and initiatives to mitigate these risks, for instance a bonus scheme applicable to employees within the organisation which rewards according to strict performance criteria

Following the financial restructure, a Management Incentive Plan ("MIP") has been implemented for certain members of the senior management team designed to incentivise them on the delivery of the post-restructuring business plan

External and market risk

This category includes risks which the Group has limited control over, including decisions/actions by national or local government, competition and the current economic climate, including potential interest rate increases on debt The Group attempts to mitigate exposure to adverse economic conditions by tightly controlling costs and protecting turnover Its management of interest rate risk is discussed under interest rate cash flow risk

FINANCIAL RISK MANAGEMENT (continued)

Commercial risk

The Group is in long term contractual relationships with a number of key organisations These include commercial arrangements where car parks are operated on a third party's behalf particularly in the airport and rail sectors, and a number of local councils in the off-street segment The Group also has long term contractual lease agreements in place covering a significant proportion of its off-street car park estate spread across a large number of lessors, although 127 car parks sites are leased from a landlord through a sale and leaseback arrangement undertaken in 2001

The Group also does significant business with a number of other suppliers and whilst the business it does with its suppliers can be significant given the size of the activities, it does not believe it is reliant on any one supplier To manage this risk the Group performs regular service reviews and controls procurement in line with industry best practice

Operational risk

This risk category includes a diverse range of risks, including those relating to systems, health, safety and environment, information, property and crime Operational risks relate to the customer experience, protecting staff, property and turnover and providing the appropriate infrastructure, systems and training for operations Most sub-categories of operational risks can be linked to compliance with the Group's aim of ensuring all car parks are safe, clean and working effectively

Regulatory risk

The Group's services are subject to UK statutory law and regulation directed by central and local government as well as regulation by the major credit card companies and an operational code of conduct issued by the British Parking Association Breaches of these requirements could result in fines or adversely impact upon relationships with existing and potential new clients The Group ensures it remains up to date with the latest requirements and communicates them to all relevant personnel, through the NCP Risk & Audit committee

Financial risk

The directors regularly consider the effect of risk on the Group's business and work together with the internal risk department to limit any adverse financial exposure The principal risks to which the Group is exposed are credit risk, liquidity risk and interest rate cash flow risk as detailed below The Group has limited exposure to price risk and no exposure to foreign exchange risk

Credit risk

The Group's principal financial assets are bank balances, cash, trade debtors and other debtors The Group's credit risk is primarily attributable to its trade debtors The amounts presented in the balance sheet are net of allowances for doubtful debts An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies, but is concentrated with The Royal Bank of Scotland plc The Group has no other significant concentration of credit risk, with exposure spread over a large number of counterparties and customers

Liquidity risk

In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of cash and short-term and long-term debt finance (available to the Group as a whole)

The main liquidity risks facing the business relate to trading risk, financing risk, counterparty risk and property risks Financing risk is dependent on meeting covenants testing which the Group monitors on a regular basis Counterparty risks in the form of debtors are a relatively small issue for the business due to the nature of the revenue streams

FINANCIAL RISK MANAGEMENT (continued)

Interest rate cash flow risk

The Group has both interest bearing assets and interest bearing liabilities Interest bearing assets consist of cash balances only some of which are held as overnight deposits, the interest rates are variable dependent on the bank's base rate Interest bearing liabilities mainly consist of long term debt as detailed in note 18 The interest rates payable are either fixed or linked to LIBOR rates The Group uses interest rate swaps and caps to protect against significant fluctuations in interest rates

As part of the Group financial restructuring completed after the period end, the Group has purchased an interest rate cap at 2% plus the agreed margin on £105 million of its debt

DIRECTORS

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

G I W Parsons	
J P Walbridge	
J S J Milne	Appointed 27 April 2012
J L Cooper	Appointed 27 April 2012
J P Scott	Appointed 27 April 2012
T J Bolot	Appointed 27 April 2012, resigned 25 June 2012
A Bell	Appointed 21 June 2012

Gordon Parsons, Jonathan Walbridge and Jonathon Milne are employees of Macquarie Capital Group Limited, London Branch an affiliate of the manager of Macquarie European Infrastructure Fund II, the ultimate parent of the Group

EMPLOYEES

The Group's vision statement is "to be the first choice in parking"

The Group and its staff apply the following values

D Deliver what we say

R Respect for everyone

I Integrity in everything we do

V Views are valued

E Energy and passion at all times

The strategy of the Group is communicated to all team members when they join the Group and complete the induction course An ongoing communication process takes place by further updates on a weekly and monthly basis The Group values team engagement and the delivery of the strategy through team involvement The activities that impact on our teams are closely monitored to ensure that both the strategy and team engagement are aligned to keep the Group at the forefront of a competitive marketplace Regular staff surveys are carried out to monitor areas of success and development with a view to make the Group the main employer of choice for employees

The Group has in place existing information and consultation agreements approved by employees through workplace ballots In accordance with the Consultation of Employees Regulations, the Group communicates with its employees on

Information on

- the recent and probable development of the Group's activities and economic situation,

Information and consultation on

- the situation, structure and probable development of employment within the Group and, in particular, on the anticipatory measures envisaged where there is a threat to employment, and

Information and consultation with a view to reaching agreement on

- decisions likely to lead to substantial changes concerning work organisation or in contractual relations

EMPLOYEES (continued)

The Group is fully committed to treating all job applicants and employees fairly and equally regardless of their race, religion or belief, gender, sexuality, age or disability Furthermore, the Group believes that it is crucially important to value and respect all employees as individuals and concentrate on personality and individual strengths in order to gain from a diverse workforce

The Group is committed to employment policies which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status and offers appropriate training and career development for all staff If members of staff become disabled the Group continues employment wherever possible and undertakes the necessary adjustments to facilitate their ongoing employment

The Group encourages its staff to continue their education by gaining qualifications relevant to their work and assistance may be given to enable them to undertake an approved course of study

CORPORATE AND SOCIAL RESPONSIBILITY

The Group works closely with local and national charities and encourages all its employees to become involved in local initiatives that support the local community and participate in local community projects A number of local initiatives have taken place in all the regional offices during the period, including the 'dress down days' and car wash days to raise funds for national and local charities such as Macmillan Cancer Support and Crisis

As the UK market leader, the Group is committed to reducing the environmental and social impact of its car parks' activities on the communities in which it operates NCP is fully engaged with local communities over a range of social issues, including regular representation on vehicle crime action groups, community and business safety partnerships, homelessness organisations and local police NCP also regularly assists police and other security organisations by sharing information, including CCTV data

The Group works to incorporate environmentally friendly measures in the design of new car parks and encourages and assists its customers to reduce their carbon footprint The Group has introduced a Green Badge Scheme in Manchester giving discounted parking to driver of cars with low emissions It also has an on-going programme to replace mains powered machines with solar and wind powered ones across its sites to make a positive contribution toward reducing the effects of climate change

All of the Group's energy comes from carbon neutral sources, and the intention is to continue to reduce overall consumption significantly These have mainly been achieved from using new state of the art electricity meters, intelligent lighting controls with wireless movement detectors and modern car park ventilation with variable speed drives controlled by levels of carbon monoxide A further major investment in energy efficient lighting has commenced in May 2012

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 Group and parent Company 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 Group and the Company and of the profit or loss of the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

MEIF II CP Holdings 1 Limited

DIRECTORS' REPORT (continued)

DIRECTORS' INDEMNITIES

The Company has maintained qualifying third party indemnity insurance on behalf of its directors and officers during the period and this will continue to be maintained beyond the date of approval of the financial statements

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 directors have 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

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

J P Scott
Director
29 June 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEIF II CP HOLDINGS 1 LIMITED

We have audited the group and parent company financial statements (the "financial statements") of MEIF II CP Holdings 1 Limited for the period ended 30 March 2012 which comprise the consolidated profit and loss account, consolidated statement of total recognised gains and losses, consolidated reconciliation of movements in shareholders' deficit, consolidated and company balance sheets, consolidated cash flow statement 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 8, 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 group's and parent 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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 March 2012 and of the group's loss and cash flows 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

C. Burns

Christopher Burns (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

29 June 2012

Company number 6133791

MEIF II CP Holdings 1 Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the period ended 30 March 2012

	Note	2012 £'000	2011 £'000
Gross receipts, including site owners' share	2	268,973	279,249
Less site owners' share of gross receipts	2	(40,381)	(46,248)
Turnover	2	228,592	233,001
Cost of sales		(238,226)	(217,947)
Gross (loss)/profit		(9,634)	15,054
Administrative expenses		(324,066)	(113,822)
Exceptional costs of financial restructuring	4	(10,833)	-
Other operating income	7	7,818	7,937
Operating loss		(336,715)	(90,831)
Loss on disposal of fixed assets	4	-	(709)
Interest receivable and similar income	8	738	384
Interest payable and similar charges	9	(70,953)	(64,990)
Loss on ordinary activities before taxation	3	(406,930)	(156 146)
Tax on loss on ordinary activities	10	(408)	(302)
Loss on ordinary activities after taxation		(407,338)	(156,448)
Minority interests	22	(473)	(1,127)
Loss for the financial period	21	(407,811)	(157 575)

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

All of the activities of the Group are continuing

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the period ended 30 March 2012

	Note	2012 £'000	2011 £'000
Loss for the financial period		(407,811)	(157,575)
Net actuarial (loss)/gain relating to the pension scheme	26(f)	(100)	1,600
Deferred taxation on actuarial gain/(loss)	19	62	(412)
Credit in relation to management incentive plan	22	100	-
Total recognised losses relating to the period		(407,749)	(156,387)

CONSOLIDATED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT
For the period ended 30 March 2012

	Note	2012 £'000	2011 £'000
Loss for the financial period		(407,811)	(157,575)
Other recognised gains and losses relating to the period	21	62	1,188
Net decrease in shareholders' deficit		(407,749)	(156 387)
Opening shareholders' deficit		(227,247)	(70,860)
Closing shareholders' deficit		(634,996)	(227,247)

Company number 6133791

MEIF II CP Holdings 1 Limited

CONSOLIDATED BALANCE SHEET
As at 30 March 2012

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Intangible assets	12	155,314	464,564
Tangible assets	13	92,694	116,538
		248,008	581,102
CURRENT ASSETS			
Debtors	15	43,564	62,680
Cash at bank and in hand		25,302	26,142
		68,866	88,822
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(594,441)	(114,658)
NET CURRENT LIABILITIES		(525,575)	(25,836)
TOTAL ASSETS LESS CURRENT LIABILITIES		(277,567)	555,266
CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17	(319,802)	(746,972)
PROVISIONS FOR LIABILITIES	19	(38 715)	(36,155)
NET LIABILITIES EXCLUDING PENSION ASSET		(636,084)	(227,861)
Net pension scheme asset	26	1,748	1,406
NET LIABILITIES INCLUDING PENSION ASSET		(634 336)	(226,455)
CAPITAL AND RESERVES			
Called up share capital	20	2,419	2,419
Share premium account	21	239,511	239,511
Profit and loss account	21	(876,926)	(469 177)
TOTAL SHAREHOLDERS' DEFICIT		(634,996)	(227,247)
Minority interest	22	660	792
CAPITAL EMPLOYED		(634,336)	(226,455)

Details of the unaudited proforma balance sheet following the restructuring completed on 27 April 2012 are shown in note 29

These financial statements on pages 11 to 46 were approved by the board of directors on 29 June 2012 and signed on its behalf by

J P Scott

Director

MEIF II CP Holdings 1 Limited

COMPANY BALANCE SHEET
As at 30 March 2012

	Note	2012 £'000	2011 £'000
FIXED ASSETS			
Investments	14	-	-
CURRENT ASSETS			
Debtors – due within one year	15	-	146,057
Debtors – due after one year	15	-	43,008
Cash at bank and in hand		183	326
		183	189,391
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	16	(1,536)	(1,444)
NET CURRENT (LIABILITIES)/ASSETS		(1,353)	187,947
TOTAL ASSETS LESS CURRENT LIABILITIES		(1,353)	187,947
CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17	(48,779)	(43,008)
NET (LIABILITIES)/ASSETS		(50,132)	144,939
CAPITAL AND RESERVES			
Called up share capital	20	2,419	2,419
Share premium account	21	239,511	239,511
Profit and loss account	21	(292,062)	(96,991)
TOTAL SHAREHOLDERS' (DEFICIT)/FUNDS		(50,132)	144,939

Details of the unaudited proforma balance sheet following the restructuring completed on 27 April 2012 are shown in note 29

These financial statements on pages 11 to 46 were approved by the board of directors on 29 June 2012 and signed on its behalf by

J P Scott

Director

MEIF II CP Holdings 1 Limited

CONSOLIDATED CASH FLOW STATEMENT
For the period ended 30 March 2012

	Note	2012 £'000	2011 £'000
Net cash inflow/(outflow) from operating activities	23	15,931	(6,434)
Returns on investments and servicing of finance			
Interest received		238	327
Interest and other financing costs paid		(15,612)	(29,154)
Interest element of finance lease payments		(257)	(421)
Dividends paid to minority interests	22	-	(810)
Net cash outflow from returns on investments and servicing of finance		(15,631)	(30,058)
Taxation UK corporation tax paid		(290)	(454)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(3 847)	(10,178)
Receipts from sales of tangible fixed assets		-	4 080
Net cash outflow from capital expenditure and financial investment		(3,847)	(6,098)
Acquisitions and disposals			
Other payments to minority interests	22	(174)	-
Net cash outflow from acquisitions and disposals		(174)	-
Net cash outflow before financing		(4 011)	(43,044)
Financing			
Increase in borrowings	24	5,000	32,576
Capital element of finance lease payments	24	(294)	(84)
Repayments in borrowings	24	(1,535)	(1,346)
Net cash inflow from financing		3,171	31,146
Decrease in cash and cash equivalents	24	(840)	(11,898)

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 March 2012

1 ACCOUNTING POLICIES

Basis of accounting

The following accounting policies have been applied consistently in both the current and preceding period in dealing with items which are considered material in relation to the Group and Company's financial statements These financial statements are prepared on the going concern basis, under the historical cost accounting convention as modified to include the revaluation of certain fixed assets further described below and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

Basis of preparation - going concern

These financial results have been prepared on a going concern basis, which assumes that the Group will be able to meet its liabilities as they fall due for the foreseeable future At 30 March 2012, the Group had external bank borrowings of £467 6 million which are subject to compliance with agreed financial covenants

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 29 to the financial statements

The directors have therefore concluded that it is appropriate to continue to adopt the going concern basis in preparing the financial statements

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 30 March 2012 (2011 31 March 2011) The results of subsidiaries acquired or sold are consolidated for periods from or to the date on which control passed All companies over which the Group is able to exercise control through having a dominant influence are consolidated as subsidiary undertakings Dominant influence is defined as the right to give direction with respect to operating and financial policies Acquisitions are accounted for under the acquisition method of accounting Uniform accounting policies are applied across the group and any profits or losses on intra group transactions have been eliminated Minority interests in the net assets of consolidated subsidiaries are identified separately from the equity and any movements in relation to the minority interest are included as movements in the period

Turnover

The Group's turnover comprises receipts from the management and operation of car parks Turnover is recognised on customers' exit of the car park or, for season tickets, is spread over the life of the season ticket and recognised at the end of each calendar month Additionally turnover comprises gross rents receivable during the period, which are recognised on a monthly basis according to the lease agreement

Management and operation of car parks (off street car parking)
Where the Group does not bear the significant risks and rewards of operating a car park, turnover comprises the management fee receivable by the Group In all other cases turnover comprises gross receipts from customers Disclosed on the face of the profit and loss account are

(i) "Gross receipts, including site owners' share" which represent total receipts including the car park receipts received by the Company on behalf of principals as well as the management fee retained by the Group, and

(ii) "Site owners share of gross receipts" which represents the car park receipts payable to the car park site owners

1 ACCOUNTING POLICIES (continued)

Other operating income

Compensation income is related to payments received for early removal or termination of a contract (usually a lease on a car park site), recognised when the Group obtains the right to consideration under contractual terms

Intangible fixed assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its estimated useful economic life, which is 20 years The Company evaluates the carrying value of goodwill in each financial period to determine if there has been any impairment in value, which would result in the inability to recover the carrying amount When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account

Intangible fixed assets – management agreements

The Group identifies intangible fixed assets as non financial assets that do not have physical substance but are identifiable and are controlled by the entity through custody or legal rights to operate a car park in a specific place Any assets falling under this description are capitalised at cost and then amortised on a straight line basis over the life of the agreement An impairment review is performed if events or changes in circumstance indicate that the carrying amount of the asset may not be recoverable When it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the profit and loss account

Properties

Operating properties

Properties which are used for the Group's trading are regarded as operating properties and are stated in the financial statements at cost less accumulated depreciation Provisions in respect of impairment of operating properties are charged to the profit and loss account where the carrying value exceeds the recoverable amount of the property

Investment properties

Properties which are held on a long-term basis for capital appreciation purposes and not used as operating properties are regarded as investment properties In accordance with Statement of Standard Accounting Practice 19 these are stated in the financial statements at directors' valuation, which is carried out by an internal surveyor on behalf of the group at the period end based on open market value

Provisions in respect of impairment of investment properties are charged to the profit and loss account where carrying value is higher than open market value

Tangible fixed assets and 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

Profit or loss on sale of properties

The profit or loss on sale of properties represents the difference between net sale proceeds and the net book value at the date of disposal

Properties

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

Freehold (buildings only)	-	2%
Long leasehold	-	2%
Short leasehold	-	Over the term of the lease

No depreciation is provided on freehold land

1 ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation (continued)

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

In accordance with Statement of Standard Accounting Practice 19, depreciation is not provided on investment properties The properties concerned are not held for consumption but for investment, and the directors consider that systematic annual depreciation would be inappropriate This accounting policy is deemed necessary for the financial statements to give a true and fair view The financial effect of the departure from the statutory accounting rules cannot reasonably be quantified as depreciation is only one of the factors reflected in the annual valuation and it cannot be separately identified or quantified

Other assets

Other assets are stated in the financial statements at cost less accumulated depreciation

Depreciation is provided on a straight-line basis on other assets over their estimated useful lives, at the following annual rates

Car park build costs	-	10% to 25%
Equipment, fixtures and fittings	-	10% to 25%
Motor vehicles	-	25%
Computer equipment and software	-	33 33%

Where assets' useful lives are shortened by the terms of contracts to which they are related, depreciation is accelerated accordingly All of the above categories are classified within fixtures, fittings, plant and machinery in note 13 to the financial statements

Maintenance and repairs of owned properties

The Group is responsible for refurbishment, maintenance and repairs to all its freehold properties Maintenance costs and repairs are charged to the profit and loss account of the period during which the cost is incurred

Maintenance and repairs of leased properties

The Group, as tenant, has full repairing obligations on a majority of its leasehold properties The dilapidations provision is made based on the estimated maintenance costs necessary to restore the properties to their condition at lease inception discounted to present value The amortisation or "unwinding" of the discount applied in establishing the net present value of the provision is charged to the profit and loss account in each period as interest payable and similar charges

Fixed asset investments

Investments held as fixed asset investments are stated at cost less provision for impairment At each period end, an assessment is carried out to determine whether there is any indication of impairment Where the recoverable amount is less than the carrying amount, the asset is reduced to the recoverable amount with an impairment loss recognised in the profit and loss account

Operating leases

Leases which do not entail taking substantially all the risks and rewards of ownership of the assets are operating leases, and the rental charges are charged to the profit and loss account on a straight-line basis over the lives of the leases

Rental income from operating leases is credited to the profit and loss account on a receivable basis over the term of the lease

Finance leases

Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright The amount capitalised is the present value of the minimum lease payments payable during the lease term The corresponding lease commitments are shown as obligations to the lessor Lease payments are split between capital and interest elements using the actuarial method Depreciation is calculated over the lower of the useful lives and the term of the lease on the relevant assets and, together with interest, is charged to the profit and loss account

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 March 2012

1 ACCOUNTING POLICIES (continued)

Deferred government grants

Government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the asset to which they relate

Pensions

The Group operates a defined benefit pension scheme and a defined contribution scheme Contributions to the scheme are charged to the profit and loss account as part of staff costs so as to spread the cost of pensions over employees' working lives with the Group Current service costs are charged to operating profit These costs are included in administrative expenses The defined benefit scheme is funded, with the assets of the scheme held separately from those of the Group in a separate independent trustee administered fund Pension scheme assets are measured at market value at each balance sheet date and liabilities are measured on a projected unit actuarial basis allowing for changes in line with the discount rate, accruing liabilities and benefit payments The increase in the present value of the liabilities of the Group's defined benefit pension schemes' expected to arise from employee service in the period is charged to operating profit The expected return on the schemes' assets and the increase during the period in the present value of the schemes' liabilities arising from the passage of time are included in other finance income Actuarial gains and losses are recognised in the consolidated statement of total recognised gains and losses Pension schemes' surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of the related deferred tax

For the defined contribution scheme the amount charged to the profit and loss account in respect of the pension costs is the contributions payable in the period Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet

The Group also contributes to certain local authority defined benefit schemes, but treats these schemes as defined contribution schemes for accounting purposes as the Group is unable to identify its share of the underlying assets and liabilities of the multi-employer schemes on a consistent and reliable basis

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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events result in an obligation to pay more tax, or a right to pay less tax, at a future date, have occurred at the balance sheet date A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse Deferred tax is measured on an undiscounted basis

Debt

Debt is initially stated at the amount of the net proceeds after deduction of issue costs The carrying amount is increased by the interest costs in respect of the accounting period and reduced by payments made in the period Debt issue costs are allocated to the profit and loss account over the terms of the loan facilities at a constant rate on the carrying amount Interest costs of the debt are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount

Costs incurred in negotiating the financial restructuring of the Group in the period have been expensed to the profit and loss account as incurred

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 March 2012

1 ACCOUNTING POLICIES (continued)

Provisions for liabilities

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation

The Group operates a policy to provide for dilapidations based upon known costs to be incurred at each site over a period of the next five years, together with works to be carried out on these sites as per the relevant lease agreement The amount is then discounted using the companies adjusted risk free rate of return

The Group operates a policy to provide for forecast losses under onerous contracts Where an onerous contract is identified, forecasts for future trading losses are identified and subsequently discounted using the companies adjusted risk free rate of return to reflect timing of future cash outflows

2 SEGMENTAL INFORMATION

Classes of business	30 March 2012 Turnover £'000	30 March 2012 Pre-tax profit/ (loss) £'000	30 March 2012 Net assets/ (liabilities) £'000	31 March 2011 Turnover £'000	31 March 2011 Pre-tax profit/ (loss) £'000	31 March 2011 Net assets/ (liabilities) £'000
Car parking	223,433	(27,429)	23,065	228 185	(2,999)	37,517
Rental income	5,159	3,740	6,509	4,816	3,883	7,071
	228,592	(23,689)	29,574	233,001	884	44,588
Group items	-	(383 241)	(663,910)	-	(157,030)	(271,043)
	228,592	(406,930)	(634,336)	233,001	(156,146)	(226,455)

a) All turnover during the period derived from activities in the United Kingdom and from two classes of business, car parking and rental income

b) "Rental income" net assets are the investment properties disclosed in note 13

c) 'Group items" pre-tax loss comprises goodwill amortisation, net interest expense and other financing costs paid "Group items" net assets principally comprise cash, goodwill, bank loans, the commercial mortgage facility and loan notes

d) Part of the Group's turnover is derived from the management of car parks on behalf of their principal owners Car parking turnover is stated after deducting car park receipts paid over to principals and, therefore, only includes the management fee retained by the Group in these cases Disclosed on the face of the profit and loss account are

(i) "Gross receipts, including site owners' share" which represents total receipts including the car park receipts received by the company on behalf of principals as well as the management fee retained by the Group, and

(ii) "Site owners' share of gross receipts" which represents the car park receipts payable to the car park site owners

3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	30 March 2012 £'000	31 March 2011 £'000
Loss on ordinary activities before taxation is after charging		
Auditors' remuneration		
- for the audit of the Company's financial statements	72	115
- for the audit of the subsidiaries' financial statements	223	227
- taxation services	10	10
- other services	217	5
Exceptional costs – costs of financial restructuring (note 4)	10,833	-
Goodwill amortisation	28,983	32,821
Goodwill impairment	277,052	62 703
Intangible asset amortisation	903	910
Intangible asset impairment	2,312	-
Depreciation of owned assets	13,367	15,959
Depreciation of leased assets	525	612
Impairment charge/(credit) of tangible fixed assets	12,963	(50)
Loss on disposal of fixed assets	552	710
Operating lease rentals – land and buildings	137,761	132 076
Operating lease rentals – other	1,280	1,568
After crediting		
Amortisation of government grants	17	17
Rents receivable from property	5,159	4,816

The Company's audit fee of £72,000 (2011 £115,000) has been borne by National Car Parks Limited, a subsidiary company

4 EXCEPTIONAL ITEMS REPORTED SEPARATELY

During the period ended 30 March 2012 the group undertook a major financial restructuring exercise, as part of the renegotiation of its financial commitments, resulting in costs of £10,833,000 being incurred in this financial period

During the year ended 31 March 2011 a management contract to operate car parks at Gatwick airport ended and the Group did not win the tender to continue this contract This led to the disposal of assets operating at this site, with a corresponding loss on disposal of £708,748

The effects of these exceptional items, reported separately, charged to the profit and loss account were

	30 March 2012 £'000	31 March 2011 £'000
Costs of financial restructuring	10,833	-
Loss on disposal of fixed assets	-	709

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 March 2012

5 REMUNERATION OF DIRECTORS

The directors of the Company during the current and preceding periods were employed by Macquarie Capital Group Limited, London Branch, an affiliate of Macquarie European Infrastructure Fund II, the manager of the ultimate parent of the group, No fees were payable during the period in respect of the directors' services

None of the directors during the current and preceding periods received any emoluments in respect of their services to the Company or any other Group company

6 STAFF NUMBERS AND COSTS

The average monthly number of persons employed by the Group during the period, including directors employed by other subsidiaries of the ultimate parent of the Group, analysed by category was as follows

	30 March 2012 Number	31 March 2011 Number
Directors	2	3
Managerial and clerical staff	136	146
Operational staff	1,236	1,376
	1,374	1,525

The aggregate payroll costs of these persons were as follows

	30 March 2012 £'000	31 March 2011 £'000
Wages and salaries	26,483	29,546
Social security costs	2,377	2,727
Other pension costs	293	286
Redundancy costs	143	414
	29,296	32,973

Oher pension costs represent £108,000 (2011 £110,000) in respect of the NCP defined benefit scheme (note 26) and £185,000 (2011 £175,000) in respect of defined contribution schemes

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 March 2012

7 OTHER OPERATING INCOME

	30 March 2012 £'000	31 March 2011 £'000
Compensation income	7,750	7,065
Amortisation of government grant	17	17
Other	51	855
	7,818	7,937

Compensation income relates to payments for early removal or termination of a lease on a car park site

8 INTEREST RECEIVABLE AND SIMILAR INCOME

	30 March 2012 £'000	31 March 2011 £'000
Bank interest receivable	238	284
Other finance income (note 26(c))	500	100
	738	384

9 INTEREST PAYABLE AND SIMILAR CHARGES

	30 March 2012 £'000	31 March 2011 £'000
On bank overdrafts and other borrowings		
Commercial mortgage facility interest payable	1,790	1,682
Commercial mortgage facility break fee	266	29
Bank loans	28 350	28,919
Fixed rate unsecured redeemable loan notes 2007	22,100	19,856
Payment in kind notes	12,882	8,947
Finance leases	253	421
Other	29	383
	65,670	60,237
Amortisation of debt issue costs		
Bank loans	1,652	1,672
Other	363	363
	2,015	2,035
Notional interest on provisions (note 19)	3,268	2,718
Total interest payable	70,953	64,990

Notional interest on provisions represents the unwinding of the discount in relation to provisions for dilapidations and onerous contracts

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 March 2012

10 TAX ON LOSS ON ORDINARY ACTIVITIES

a) Analysis of tax on loss on ordinary activities

	30 March 2012 £'000	31 March 2011 £'000
Current tax		
United Kingdom corporation tax on losses of the period	(312)	(411)
Prior period adjustment	10	34
	(302)	(377)
Deferred tax		
Origination and reversal of timing differences	(106)	75
Total deferred tax (note 19)	(106)	75
Tax charge on loss on ordinary activities	(408)	(302)

b) Factors affecting tax charge for the current period

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

	30 March 2012 £'000	31 March 2011 £'000
Loss on ordinary activities before taxation	(406,930)	(156 146)
Tax credit at 26% (2011 28%) thereon	105,802	43 721
Effects of		
Expenses not deductible for tax purposes	(7,902)	(9,834)
Depreciation on non-qualifying assets	(188)	(238)
Capital allowances in excess of depreciation	(4,575)	(2,640)
Non taxable income	4	-
Impairment	(72,830)	(17,639)
Other deferred tax movements	(8)	79
Prior period adjustment	10	34
Losses not recognised as a deferred tax asset	(20,615)	(13,860)
Current tax charge for the period	(302)	(377)

A deferred tax asset has not been recognised in respect of timing differences relating to surplus losses not utilised in the current period as there is insufficient evidence that the asset will be recovered The amount of the deferred tax asset not recognised is £75,447,000 (2011 £58,906,000)

c) Factors that may affect the future tax charge

Deferred tax has not been provided on revaluations of fixed assets, nor on the gains realised that have been rolled over into the acquisition cost of replacement assets It is not currently envisaged that any tax will become payable in relation to the gains in these assets Capital gains rolled over but not provided amount to £939,000 (2011 £1,041,000)

11 LOSS ATTRIBUTABLE TO THE COMPANY

The loss for the financial period ended 30 March 2012 dealt with in the financial statements of the parent company was £195,071,000 (2011 loss of £205,777,000) As permitted by section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent company

12 INTANGIBLE ASSETS

GROUP	Goodwill £'000	Management agreements £'000	Total £'000
Cost			
At 1 April 2011 and 30 March 2012	710,487	5,306	715,793
Accumulated amortisation			
At 1 April 2011	249,138	2,091	251,229
Charge for the period	28,983	903	29,886
Impairment charge for the period	277,052	2,312	279,364
At 30 March 2012	555,173	5,306	560,479
Net book value			
At 30 March 2012	155,314	-	155,314
At 31 March 2011	461,349	3,215	464,564

Management agreements

In 2009 a group company acquired the rights to operate 25 surface level car parks over 5 years and the right to operate 2 multi-storey car parks once constructed

At the period end a full impairment review was carried out, adopting a value in use methodology As a result of the review for this period impairment of £2,312,000 (2011 £nil) has been recognised

Goodwill impairment

At the period end a full goodwill impairment review was carried out This adopted a value in use methodology and included the following assumptions

- for the first 5 years, the internal business plan is used to forecast cashflows,
- after this initial period, a long term growth rate at 2 25% is applied to drive a terminal value, and
- the discount rate applied is a pre tax weighted average cost of capital of 9 25% (2011 9 6%)

As a result of the review for this period using the current assumptions stated above goodwill impairment of £277,052,000 (2011 £62,703,000) has been recognised

Company

The Company did not have any intangible assets in the current or prior period

13 TANGIBLE FIXED ASSETS

Group	Freehold land and property £'000	Long-leasehold property £'000	Short-leasehold property £'000	Fixtures, fittings, plant and machinery £'000	Total £'000
Cost and valuation					
At 1 April 2011	25,697	22,163	40,467	106,024	194,351
Additions	-	-	-	3,847	3,847
Disposals	-	-	-	(4,101)	(4,101)
At 30 March 2012	25,697	22,163	40,467	105,770	194,097
Accumulated depreciation					
At 1 April 2011	4,168	4,857	12,134	56,654	77,813
Impairment write off	1,591	1,875	9,497	-	12,963
Charge for the period	-	551	1,822	11,519	13,892
Disposals	-	-	-	(3,265)	(3,265)
At 30 March 2012	5,759	7,283	23,453	64,908	101,403
Net book value					
At 30 March 2012	19,938	14,880	17,014	40,862	92,694
At 31 March 2011	21,529	17,306	28,333	49,370	116,538

The net book value of land and buildings comprises

	Operating properties £'000	Investment properties £'000	Total £'000
Freehold	13,879	6,059	19,938
Long leasehold	14,880	-	14,880
Short leasehold	16,563	451	17,014
	45,322	6,510	51,832

Investment properties were valued on an open market value basis in September 2005 Investment properties are revalued annually by a suitably experienced member of the Group, based upon market value Operating properties are assessed for potential impairment based upon discounted future cash flows Following this review of the value of the portfolio of properties at 30 March 2012, an impairment charge of £11,951,000 (31 March 2011 credit of £50,000) was recognised

Included in freehold land and property is land valued at £14,925,000 (2011 £14,925,000) and property valued at £6,059,000 (2011 £6,604,000) which are not depreciated

13 TANGIBLE FIXED ASSETS (continued)

Assets held under finance leases and capitalised in fixtures, fittings, plant and machinery

	30 March 2012		31 March 2011	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Cost	3,680	-	3,680	-
Aggregate depreciation	(2,258)	-	(1,733)	-
Net book value	1,422	-	1,947	

Company

The Company did not have any tangible fixed assets in the period

14 FIXED ASSET INVESTMENTS

	Group £'000	Company £'000
Cost		
At 1 April 2011	-	241,645
Additions	-	174
At 30 March 2012	-	241,819
Provision for impairment		
At 1 April 2011	-	241,645
Impairment in the period	-	174
At 30 March 2012	-	241 819
Net book value		
At 30 March 2012 and 31 March 2011	-	-

The company's fixed asset investment consists of

a) shares in MEIF II CP Holdings 2 Limited representing a 100% holding (2011 99 99%), with total value £241,818,645 (2011 £241,644,977) comprising

- 238,999,811 (2011 238,999,811) Non-Voting Preference Shares,
- 910,000, (2011 910,000) Investor Ordinary Shares,
- 86,450 (2011 75,596) Employee A Ordinary Shares,
- 3,550 (2011 3,150) Employee B Ordinary Shares, and
- 20 (2011 20) Non-Voting Deferred Shares

b) 1 (2011 1) ordinary share of £1 (2011 £1) in MEIF II CP 1A Limited representing a 100% shareholding

Both MEIF II CP Holdings 2 Limited and MEIF II CP 1A Limited are companies registered in England The principal activity of MEIF II CP Holdings 2 Limited is a holding company and MEIF II CP 1A Limited is a financing company

At the period end a full impairment review was carried out This adopted a value in use methodology, using the assumptions set out in note 12 As a result of the review an impairment of £174,000 (2011 £241,645,000) has been recognised

14 FIXED ASSET INVESTMENTS (CONTINUED)

Principal group investments

The Company has investments in the following subsidiary undertakings which principally affect the profits or net assets of the Group To avoid a statement of excessive length, only details of active undertakings have been included

	Country of incorporation or principal business address	Principal activity	Class of share	Holding %
MEIF II CP Holdings 2 Limited +	England	Holding Company	Ordinary	100
MEIF II CP 1A Limited +	England	Financing Company	Ordinary	100
MEIF II CP Holdings 3 Limited	England	Holding Company	Ordinary	100
Oval (2042) Limited	England	Holding Company	Ordinary	100
Oval (2041) Limited	England	Holding Company	Ordinary	100
PIHL (2003) Limited	England	Holding Company	Ordinary	100
Primepanel Limited	England	Holding Company	Ordinary	100
Trendcycle Limited	England	Holding Company	Ordinary	100
Statusaward Limited	England	Holding Company	Ordinary	100
Pointspec Limited	England	Holding Company	Ordinary	100
Boardpost	England	Holding Company	Ordinary	100
National Car Parks Group Limited	England	Holding Company	Ordinary	100
National Car Parks Limited	England	Car parking	Ordinary	100
National Car Parks Manchester Limited	England	Car parking	"A" Ordinary	75
Park and Ride Limited	England	Car parking	Ordinary	100
George Watt Limited	England	Car parking	Ordinary	100
NCP London Central City Limited	England	Property trading	Ordinary	100
NCP London Soho Limited	England	Property trading	Ordinary	100
NCP London West Limited	England	Property trading	Ordinary	100
NCP London Central City Development Limited	England	Property trading	Ordinary	100
NCP London West Development Limited	England	Property trading	Ordinary	100
NCP North West Limited	England	Property trading	Ordinary	100
NCP North East Limited	England	Property trading	Ordinary	100
NCP South England Limited	England	Property trading	Ordinary	100
NCP South East & East Anglia Limited	England	Property trading	Ordinary	100
NCP East Anglia Development Limited	England	Property trading	Ordinary	100
NCP South West & Wales Limited	England	Property trading	Ordinary	100
NCP Midlands Limited	England	Property trading	Ordinary	100
NCP Midlands Development Limited	England	Property trading	Ordinary	100
NCP Empire No 2 Limited	England	Property trading	Ordinary	100
NCP Empire No 3 Limited	England	Property trading	Ordinary	100

+ Held directly by the Company

All of the investments held above produced their statutory financial statements for the 53 week period ending 30 March 2012 (2011 52 week period ending 25 March 2011) The Group has produced its statutory financial statements to the period ending 30 March 2012 No adjustment has been made to the Group financial statements for the trading on 31 March 2012 The results for 2011 reflect trading from 1 April 2010 to 31 March 2011

All subsidiary undertakings are included within the consolidated financial statements

14 FIXED ASSET INVESTMENTS (CONTINUED)

National Car Parks Manchester Limited ("NCP Manchester")

The Group owns 7,500 "A" ordinary shares of £1 each, representing 75% of NCP Manchester's called up share capital and entitling the Group to 55% of the voting rights, 55% of the capital returned on a winding up and 55% of dividends paid The Group's share of NCP Manchester's pre- and post-tax profits approximates to its 75% share of the total share capital

The other shareholders, the Council of the City of Manchester and its wholly-owned subsidiary, Manchester Parking Limited, own 2,000 "B" ordinary and 500 "C" ordinary shares respectively, representing 25% of the share capital of NCP Manchester, and entitling them to 45% of the voting rights, 45% of the capital returned on a winding up and 45% of dividends paid

15 DEBTORS

	30 March 2012		31 March 2011	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts due within one year				
Trade debtors	5,373	-	8,567	-
Amounts owed by group undertakings	-	-	-	146,057
Other debtors	5,264	-	3,841	-
Prepayments and accrued income	32,927	-	50,272	-
	43,564	-	62,680	146,057

Amounts owed by Group undertakings include £180,527,000 (2011 £144,087 000) which are interest bearing at a rate of 15% and repayable on a six month cumulative basis
A full provision of £182,073,000 (2011 £nil) has been recognised in the period in the Company's balance sheet against amounts owed by Group undertakings due within one year, as a result of an impairment review, and to reflect their waiver post year end as part of the Group financial restructuring on 27 April 2012 as disclosed in note 29

	30 March 2012		31 March 2011	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts due after one year				
Fixed rate unsecured redeemable loan notes 2037	-	-	-	40,000
PIK notes	-	-	-	3,008
	-	-	-	43,008

The £40,000,000 fixed rate unsecured redeemable loan notes are due from a subsidiary company and bear interest at 13%, which is payable semi-annually in arrears Any interest which remains unpaid at the end of each semi-annual period continues to accrue and may be settled by the issuance of Payment in kind ("PIK") notes, which bear interest at 13%
A full provision of £48,779,000 (2011 £nil) has been recognised in the period in the Company's balance sheet against amounts owed by Group undertakings due after more than one year, as a result of an impairment review, and to reflect their waiver post year end as part of the Group financial restructuring on 27 April 2012 as disclosed in note 29

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 March 2012

16 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 March 2012		31 March 2011	
	Group £'000	Company £'000	Group £'000	Company £'000
Bank loans (note 18)	469,399	-	-	-
Obligations under finance leases and hire purchase contracts (note 18)	345	-	294	-
Other loans (note 18)	245	-	233	-
Amounts owed to parent undertakings	-	-	-	74
Amounts owed to group undertakings	-	1,536	-	1,370
Dividend to minority interest declared but not paid	331	-	-	-
Trade creditors	22,912	-	10,003	-
Corporation taxation	180	-	169	-
Other taxation and social security	2,527	-	3,476	-
Other creditors	3,876	-	2,371	-
Accruals and deferred income	94,626	-	98,112	-
	594,441	1,536	114,658	1,444

All amounts owed to Group undertakings are unsecured, non interest bearing and are repayable on demand

As disclosed in note 29, part of the bank loans, together with the accrued interest on the loan notes, were waived on 27 April 2012, as part of the Group financial restructuring

17 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 March 2012		31 March 2011	
	Group £'000	Company £'000	Group £'000	Company £'000
Bank loans (note 18)	-	-	462,761	-
Commercial mortgage facility – repayable after five years (note 18)	26,017	-	27,305	-
Obligations under finance leases and hire purchase contracts (note 18)	1,613	-	1,958	-
Other loans (note 18)	1,530	-	1,775	-
Other creditors	3,590	-	-	-
Government grants	625	-	642	-
Fixed rate unsecured redeemable loan notes 2037 (note 18)	170,000	40,000	170,000	40,000
PIK notes (note 18)	116,427	8,779	82,531	3,008
	319,802	48,779	746,972	43,008

The fixed rate unsecured redeemable loan notes in the books of the Company are due to a subsidiary company and bear interest at 13%, which is payable semi-annually in arrears Any interest which remains unpaid at the end of each semi-annual period continues to accrue and may be settled by the issuance of payment in kind ("PIK") notes, which bear interest at 13%

As disclosed in note 29, the loan notes and PIK notes were waived in full on 27 April 2012, as part of the Group financial restructuring

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 March 2012

18 BORROWINGS

Bank loans and commercial mortgage facility

During the period the Group had the following loan facilities

Facility	Facility amount £million	Interest rate payable per annum	Termination Date	Maximum balance during period £ million	Balance at 30 March 2012 £ million
Royal Bank of Scotland ("RBS") Facilities					
Commercial mortgage facility	27 3	7 0309%	April 2017	27 3	26 0
Royal Bank of Canada ("RBC") Facilities					
Senior facilities					
"Facility A"	425 0	LIBOR plus a margin of 1 5%	19 March 2014	425 0	421 8
"Facility B"	17 9	LIBOR plus a margin of 1 5%	19 March 2014	17 9	17 9
"Revolving facility"	25 0	LIBOR plus a margin of 1 5%	19 March 2014	24 7	24 7
Super senior facility	6 0	LIBOR plus a margin of 10%	30 April 2012	5 0	5 0
MEIF II CP Holdings Sarl					
Loan notes	170 0	13%	31 December 2037	170 0	170 0
PIK notes	500 0	13%	31 December 2037	116 4	116 4
Total					781 8

RBS commercial mortgage facility

For the term of the loan the interest rate is fixed at 7 0309% The rate of interest for the loan is the percentage rate per annum which is the aggregate of the applicable

a) margin (1 3% per annum),

b) LIBOR (RBS has on behalf of the Group swapped this rate for a fixed rate of 5 62%), and

c) mandatory costs (0 1109%)

The commercial mortgage is secured by a fixed charge over the properties owned by a number of group companies

Debt issue costs are allocated to the profit and loss account over the terms of the commercial mortgage facility at a constant rate on the carrying amount The commercial mortgage facility above is stated net of these unamortised issue costs of £0 2 million

On 28 February 2012, the commercial mortgage was assigned by RBS to Isobel AssetCo Limited

18 BORROWINGS (continued)

RBC senior facilities

On 19 March 2007, a new senior facility totalling £500 million was taken out £425 million of these facilities (representing "Facility A") were drawn down by MEIF II CP Holdings 3 Limited, a fellow Group company, and were principally used to acquire 100% of the issued share capital of Parking Holdings Limited, which indirectly owned the NCP group of companies

On 19 March 2007 £6 0 million was drawn down on the RBC Facility B by MEIF II CP Holdings 3 Limited and was used to repay part of the commercial mortgage facility A further £11 8 million was drawn down on 25 June 2008 to finance capital expenditure for the Group On 15 January 2009 and 29 December 2009 £15 million and £5 million respectively were drawn down from the RBC revolving facility and used as working capital for the Group On 29 June 2010 the final £4 7 million was drawn down from the RBC revolving facility and used as working capital for the Group

The RBC senior facilities are secured by a fixed and floating charge over the Group's assets The Group incurred total issue costs of £11 5 million in respect of the senior facilities agreement entered into with RBC on 19 March 2007 These RBC senior facilities issue costs are allocated to the profit and loss account over the terms of the new loan facilities at a constant rate on the carrying amount The RBC senior facilities are stated net of these unamortised issue costs of £3 2 million

On 19 March 2007, as part of the Group's interest rate management strategy, MEIF II CP Holdings 3 Limited entered into two interest rate swaps for a total notional principal amount of £425 million maturing on 31 December 2031 (with a break clause at 31 December 2014) In 2009 one of the swap counterparties novated its interest in the swap arrangement to 2 new parties so that at the period end there were three swaps as follows

Macquarie Bank Limited for	£212,500,000
Halifax Bank of Scotland ("HBOS") Treasury Services PLC for	£141,666,667
DEPFA Bank PLC for	£ 70,833,333

Under these swaps, MEIF II CP Holdings 3 Limited received interest on a variable basis and paid interest at a fixed rate of 4 085% up to 31 December 2009, 4 585% throughout 2010, 4 785% throughout 2011 and 4 845% from 1 January 2012 to 31 March 2012 The fixed rate increases over the life of the swap arrangement reaching an eventual high of 5 40% for the Macquarie Bank Limited swap and 4.983% for the HBOS Treasury Services PLC and DEPFA Bank PLC swaps

The fair value loss of these interest rate swaps as at 30 March 2012 was

Macquarie Bank Limited for	(£80 4 million)
HBOS Treasury Services PLC for	(£44 9 million)
DEPFA Bank PLC for	(£22 4 million)

The proceeds from the settlement of the interest rate swap on the Parking Holdings Limited group debt for £8 7 million in March 2007 were paid to acquire the RBC and DEPFA Bank PLC interest rate swaps, reducing the fixed interest rate, and is being amortised over the life of the swap The unamortised prepayment of £6 9 million is presented in prepayments and accrued income

As part of the financial restructuring completed on 27 April 2012 and detailed in note 29

- the amount repayable under Facility A and the interest due under the senior facilities from 1 July 2011 to 27 April 2012 and were reduced to £140 million,
- Facility B and the Revolving Facility were waived in full and cancelled,
- the termination date of Facility A was extended to 31 March 2018, and
- the Group acquired the counterparties' rights and liabilities under the interest rate swaps in exchange for an issue of loan notes, and the liabilities under the loan notes, and the interest due under the swaps from 1 July 2011 to 27 April 2012, were exchanged for £34 6m of the amended Facility A

18 BORROWINGS (continued)

RBC super senior facility

On 22 December 2011, a new super senior revolving credit facility totalling £6 million was taken out, to provide working capital for the group The facility is secured by the same charge and guarantees as the RBC senior facility £5 million was drawn down on this facility on 28 March 2012

As part of the financial restructuring completed on 27 April 2012 and detailed in note 29, this loan facility was repaid in full and cancelled

MEIF II Luxembourg Holdings Sarl and MEIF II CP Holdings Sarl

On 19 March 2007, loan notes totalling £130 million were issued by MEIF II CP 1A Limited to MEIF II Luxembourg Holdings Sarl On 3 September 2009 additional loan notes totalling £15 million were issued by MEIF II CP 1A Limited to MEIF II Luxembourg Holdings Sarl On 2 December 2010 additional loan notes totalling £25 million were issued by MEIF II CP 1A Limited to MEIF II Luxembourg Holdings Sarl

On 27 March 2012, the loan notes, PIK notes and accrued interest were transferred by MEIF II Luxembourg Holdings Sarl to MEIF II CP Holdings Sarl

The loan notes were all listed on the Channel Islands Stock Exchange as 13% unsecured and limited recourse notes due on 31 December 2037 They were de-listed on 4 May 2012

All of the above loan notes bear interest at 13%, which is payable semi-annually in arrears Any interest which remains unpaid at the end of each semi-annual period automatically converts to Payment in Kind ("PIK") notes, which bear interest at 13% At period end, accrued interest on the loan notes which did not yet qualify for conversion to PIK notes amounted to £9,181,000 (2011 £8,095,000)

As part of the financial restructuring completed on 27 April 2012 and detailed in note 29, these loan notes, PIK notes and accrued interest were waived in full

Maturity of debt

	30 March 2012		31 March 2011	
	Group £'000	Company £'000	Group £'000	Company £'000
Within one year	469,399	-	-	-
In more than two years, but not more than five years	-	-	462,761	-
In more than five years (non instalment debts)	312,444	48,779	279,836	43,008
	781,843	48,779	742,597	43,008

The RBS senior debt facilities have been included within creditors due within one year at 30 March 2012 as the temporary waivers and deferrals granted to the Group were due to expire (or might otherwise have been terminated) within that time period, which might have resulted in the debt becoming due and payable As detailed in note 29, these facilities were amended as part of the financial restructuring completed on 27 April 2012, with all known (or ascertainable) defaults waived as at that date and maturity extended to 31 March 2018

NOTES TO THE FINANCIAL STATEMENTS
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18 BORROWINGS (continued)

Obligations under finance leases and hire purchase contracts

Amounts due under finance leases and hire purchase contracts are as follows

	30 March 2012		31 March 2011	
	Group £'000	Company £'000	Group £'000	Company £'000
Within one year	345	-	294	-
In more than one year, but not more than two years	390	-	345	-
In more than two year, but not more than five years	1,223	-	1,334	-
In more than five years	-	-	279	-
Amounts due	1,958	-	2,252	-

Other loans

Amounts due under other loans are as follows

	30 March 2012		31 March 2011	
	Group £'000	Company £'000	Group £'000	Company £'000
Within one year	245	-	233	-
In more than one year, but not more than five years	1,105	-	1,054	-
In more than five years	425	-	721	-
Amounts due	1,775	-	2,008	-

Debt amounts due in more than five years are repayable by instalments, with the final instalment in March 2022, and are unsecured

19 PROVISIONS FOR LIABILITIES

Group	Provisions for dilapidations £'000	Provisions for onerous contracts £'000	Deferred taxation £'000	Total £'000
At 1 April 2011	24,359	11,773	23	36,155
(Credited)/charged to profit and loss account	(976)	5,377	(12)	4,389
Notional interest	2,071	1,197	-	3,268
Utilised during the period	(1,717)	(3,380)	-	(5,097)
At 30 March 2012	23,737	14,967	11	38,715

The provision for onerous contracts represents forecast losses on onerous contracts, these are extrapolated until the lease termination date and subsequently discounted to reflect timing of future cash outflows

The provisions for dilapidations are expected to be utilised over the life of the property leases It is expected that the majority of the other provisions will be utilised over one to five years As the dilapidations provisions will be utilised over a number of years, the provisions are discounted to net present value and the notional interest represents the unwinding of the discount during the current period

Deferred tax is provided on short-term timing differences between capital allowances and depreciation and other short-term timing differences

19 PROVISIONS FOR LIABILITIES (continued)

Movement on deferred tax provision in the period

Group	2012 £'000	2011 £'000
At start of period	23	98
Credited to profit and loss account	(12)	(75)
At end of period	11	23

Analysis of deferred tax provision

Group	2012 £'000	2011 £'000
Capital allowances in excess of depreciation	11	23

Deferred tax liability relating to pension scheme asset

Group	2012 £'000	2011 £'000
At start of period	494	56
Deferred tax charge in profit and loss account	120	26
Deferred tax (credited)/charged to the statement of total recognised gains and losses on actuarial gain/(loss)	(62)	412
At end of period	552	494

The deferred tax liability of £552,000 (2011 £494,000) has been deducted in arriving at the net pension scheme asset

Company

The Company had no provisions in either period

20 CALLED UP SHARE CAPITAL

	Group and Company 30 March 2012 £'000	Group and Company 31 March 2011 £'000
Authorised		
500,000,000 ordinary shares of £0 01 each	5,000	5,000
Allotted and fully paid		
241,929,813 (2011 241,929,813) ordinary shares of £0 01 each	2,419	2,419

21 RESERVES

	Share premium account £'000	Profit and loss account £'000
Group		
At 1 April 2011	239,511	(469,177)
Loss for the financial period	-	(407,811)
Actuarial loss on pension scheme	-	(100)
Deferred taxation credit on pension scheme	-	62
Credit in relation to management incentive plan	-	100
At 30 March 2012	239,511	(876,926)
Company		
At 1 April 2011	239,511	(96,991)
Loss for the financial period	-	(195,071)
At 30 March 2012	239,511	(292,062)

22 MINORITY INTEREST

	MEIF II CP Holdings 2 Limited £ 000	National Car Parks Manchester Limited £'000	Total £'000
At 1 April 2011	274	518	792
Shareholding sold by minority interests in the period	(274)	-	(274)
Profit for the financial period	-	473	473
Equity dividend declared but not paid	-	(331)	(331)
At 30 March 2012	-	660	660

The minority interest in NCP Manchester comprises 2,000 "B" Ordinary shares of £1 each and 500 "C" ordinary shares of £1 each in the capital of NCP Manchester

The minority interest held in MEIF II CP Holdings 2 Limited represents the value held by the Group's management incentive plan which was set up in 2007 for key management working within the Group Under the plan, loan notes were allocated to key management working within the Group, which were then exchanged for shares in MEIF II CP Holdings 2 Limited on the 19 March 2007 The remaining minority interests at 1 April 2011 comprising 10,854 Employee A Ordinary Shares of £0 10 each and 400 Employee B Ordinary Shares of £0 10 each in MEIF II CP Holdings 2 Limited were acquired by the Company in the period for a payment of £174,000

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23 RECONCILIATION OF OPERATING LOSS TO OPERATING CASH FLOWS

	30 March 2012 £'000	31 March 2011 £'000
Operating loss	(336,715)	(90,831)
Depreciation, impairment and amortisation	336,105	112,955
Loss on disposal	552	-
Decrease/(increase) in debtors	18,755	(3,887)
Decrease in creditors	(2,317)	(19,230)
Decrease in provisions	(449)	(5,441)
Net cash inflow/(outflow) from operating activities	15,931	(6,434)

24 ANALYSIS AND RECONCILIATION OF NET DEBT

	1 April 2011 £'000	Cash flow £'000	Non-cash changes £'000	30 March 2012 £'000
Cash at bank and in hand	26,142	(840)	-	25,302
Debt due after one year				
Bank loans	(462,761)	-	462,761	-
Commercial mortgage	(27,305)	1 302	(14)	(26,017)
Fixed rate unsecured redeemable loan notes 2037	(170,000)	-	-	(170 000)
Other loans due after one year	(1,775)	-	245	(1 530)
Debt due within one year				
Bank loans	-	(5,000)	(464,399)	(469,399)
PIK note due to ultimate parent company	(82,531)	-	(33,896)	(116,427)
Other loans due within one year	(233)	233	(245)	(245)
Finance leases due after one year	(1,958)	-	345	(1,613)
Finance leases due within one year	(294)	294	(345)	(345)
	(746,857)	(3,171)	(35,548)	(785,576)
Net debt	(720,715)	(4,011)	(35,548)	(760 274)

The other non-cash changes comprise the interest on the loan notes which is accumulated within the loan balance, and amortisation of debt issue costs

24 ANALYSIS AND RECONCILIATION OF NET DEBT (continued)

	2012 £'000	2011 £'000
Decrease in cash in the period	(840)	(11,898)
Cash inflow from increase in debt financing	(3,171)	(31,146)
Change in net debt resulting from cash flows	(4,011)	(43,044)
Other non-cash changes	(35,548)	(30,224)
Movement in net debt in period	(39,559)	(73,268)
Net debt at start of period	(720,715)	(647,447)
Net debt at end of period	(760,274)	(720,715)

	2012 £'000	2011 £'000
Movement in borrowings		
New secured RBC bank loans	5,000	4,714
Fixed Rate Unsecured Redeemable Loan Notes 2037	-	25,000
Increase in borrowings	5,000	29,714
Repayment of borrowings		
Repayment of part of Commercial Mortgage Facility	(1,302)	(492)
Other loans	(233)	2,008
Finance leases	(294)	(84)
Cash inflow	3,171	31,146

25 CONTINGENT LIABILITIES

Under a Group registration the Company is jointly and severally liable for value added tax due by other Group Companies At 30 March 2012, this contingent liability amounted to £1 7 million (2011 £2 4 million) Contingent guarantees are disclosed in note 27

At 30 March 2012 the Group had ongoing commercial agreements or disputes with certain landlords and counterparties The directors believe that it is unlikely that any of these matters will have a material effect on the Group's financial position

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 March 2012

26 NATIONAL CAR PARKS PENSION FUND

For some employees, National Car Parks Limited ("NCP") operates a funded pension plan providing benefits for its employees based on final pensionable pay Since April 2005 the scheme has been closed to new members The assets of the plan are held in a separate trustee administered fund

The results of the formal actuarial valuation as at 5 April 2009 were updated to the accounting date by an independent qualified actuary in accordance with FRS17 'Retirement benefits'

In July 2010, the Government announced its intention that future statutory minimum pension indexation would be measured by the Consumer Prices Index, rather than the Retail Prices Index This was reflected in NCP's assumptions at March 2011 for deferred pensions, and was agreed with the trustees of the plan during the year ended March 2012 For pensions in payment NCP continues to allow for benefits to increase in line with the Retail Prices Index

The expected rate of return on assets for the financial period ending 30 March 2012 was 6 2% pa (2011 6 8% pa) This rate is derived by taking the weighted average of the long term expected rates of return on each of the asset classes that the plan was invested in at 31 March 2011

The estimated amount of total employer contributions expected to be paid to the plan during 2012/13 is £0 6 million (2011/12 actual £0 1 million)

The major assumptions used in the calculation required under FRS 17 'Retirement benefits' were

a) **Assumptions**	**30 March 2012**	**31 March 2011**	**31 March 2010**
Retail Prices Index inflation	3 3% pa	3 5% pa	3 7% pa
Consumer Prices Index inflation	2 3% pa	2 8% pa	n/a
Discount rate	4 8% pa	5 5% pa	5 5% pa
Pension increases in payment	3 2% pa	3 4% pa	3 6% pa
Salary increases			
Category A	5 3% pa	5 5% pa	5 7% pa
Category B	4 3% pa	4 5% pa	4 7% pa
Expected return on assets			
Equity instruments and diversified growth fund	7 1% pa	7 6% pa	7 8% pa
Life expectancy of male aged 65 in 2012	21 7 years	21 6 years	22 7 years
Life expectancy of female aged 65 in 2012	24 5 years	24 4 years	25 2 years
Life expectancy of male aged 65 in 2032	23 6 years	23 5 years	24 7 years
Life expectancy of female aged 65 in 2032	26 4 years	26 3 years	26 4 years

26 NATIONAL CAR PARKS PENSION FUND (continued)

b) Scheme assets

The amount included in the balance sheet arising from NCP's obligations in respect of the plan is as follows

	30 March 2012 £'000	31 March 2011 £'000	31March 2010 £'000
Present value of defined benefit obligations	(37,800)	(34,600)	(38,100)
Fair value of plan assets	40,100	39,000	38,300
Gross pension asset	2,300	4,400	200
Amount not recognised to reflect the asset limit	-	(2,500)	-
Gross pension asset recognised on balance sheet	2,300	1,900	200
Related deferred tax liability	(552)	(494)	(56)
Net pension asset	1,748	1,406	144

Financial Reporting Standard 17 'Retirement benefits only allows a surplus to be recognised as an asset to the extent that NCP is able to recover the surplus either through reduced future contributions or through refunds from the scheme The maximum balance sheet asset at March 2012 has been calculated as £2 3 million (2011 £1 9 million) and accordingly the amount recognised at March 2012 has not been restricted

c) The amounts recognised in profit and loss are as follows

	30 March 2012 £'000	31 March 2011 £'000
Administrative expenses		
Employer's part of current service cost	(100)	(100)
Other finance income		
Interest cost	(1,900)	(2,100)
Expected return on plan assets	2,400	2,600
Restriction on expected return on assets due to unrecognised surplus	-	(400)
Total income/(expense) included in profit and loss account	400	-

d) The current allocation of the plan's assets is as follows

	30 March 2012	31 March 2011	31 March 2010
Equity instruments and diversified growth fund	46%	54%	67%
Debt instruments	51%	37%	28%
Other	3%	9%	5%
	100%	100%	100%

26 NATIONAL CAR PARKS PENSION FUND (continued)

e) **Changes in the present value of the defined benefit obligation are as follows**

	30 March 2012 £'000	31 March 2011 £'000
Opening defined benefit obligation	34,600	38,100
Employer's part of current service cost	100	100
Interest cost	1,900	2,100
Actuarial (gain)/loss	3,300	(4,000)
Benefits paid	(2,100)	(1,700)
Closing defined benefit obligation	37,800	34,600

f) **Changes in the fair value of the plan assets are as follows**

	30 March 2012 £'000	31 March 2011 £'000
Opening fair value of the plan assets	39,000	38 300
Expected return on plan assets	2,400	2,600
Actuarial (loss)/gain	700	(300)
Contributions by the employer	100	100
Benefits paid	(2,100)	(1,700)
Closing fair value of plan assets	40,100	39,000

The actual return on the plan's assets over the period to 30 March 2012 was a gain of £3 1 million (2011 gain of £2 3 million)

The amount recognised outside profit and loss in the statement of total recognised gains and losses (STRGL) for the period to 30 March 2012 is a loss of £0 1 million (2011 gain of £1 6 million) including the effect of changes in the asset limit)

The cumulative amount recognised from 31 March 2007 to 30 March 2012 included in the STRGL is a loss of £4 5 million including the effect of changes in the asset limit

g) **Amounts to be shown for the current and previous four periods**

	30 March 2012 £'000	31 March 2011 £'000	31 March 2010 £'000	31 March 2009 £'000	31 March 2008 £'000
Present value of defined benefit obligation	37,800	34,600	38,100	29,000	31,700
Fair value of plan assets	(40,100)	(39,000)	(38,300)	(30,500)	(38,600)
Surplus	(2,300)	(4,400)	(200)	(1,500)	(6,900)
Experience adjustments on plan assets					
Amount of (gain) / loss	(700)	300	(8,000)	8,700	2,860
Percentage of plan assets	2%	1%	(21%)	29%	7%

27 FINANCIAL COMMITMENTS

Capital commitments are as follows

	Group 30 March 2012 £'000	Company 30 March 2012 £'000	Group 31 March 2011 £'000	Company 31 March 2011 £'000
Contracted for but not provided for				
Other	1,481	-	1,307	-

Minimum annual commitments under non-cancellable operating leases are as follows

	30 March 2012		31 March 2011	
	Land and buildings	Other	Land and buildings	Other
Group	£'000	£'000	£'000	£'000
Expiry date				
Within one year	3,490	267	4,067	113
In more than one year, but not more than five years	14,536	536	11,644	1,033
After five years	79,681	-	78,970	-
Amounts due	97,707	803	94,681	1,146

The Group is also obliged to make additional performance-related rental payments on a number of sites In the period ended 30 March 2012 these additional payments amounted to £46 0 million (2011 £41 4 million)

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs

The Company does not have any operating leases

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

Where the Company is a beneficiary of group guarantees, the Company considers these to be insurance arrangements and accounts for them as such In this respect, the Company treats the guarantees as a contingent asset until such time as it becomes virtually certain that the Company will receive amounts under the guarantee

Facilities agreement and related debenture and cross guarantees

On 23 August 2004, Primepanel Limited, a fellow group company, entered into a £72,886,511 commercial mortgage facility agreement with RBS Primepanel Limited also entered into a debenture in favour of RBS and a fee debenture agreement with the fee beneficiary, NatWest Lease Management Limited ("NatWest"), a subsidiary of RBS, in relation to this facility

A number of Group companies acted as guarantors for this facility and also entered into the debenture agreement in favour of RBS and the fee debenture agreement with NatWest A number of Group companies also granted legal charges on certain of their properties to RBS and NatWest as further security for the commercial mortgage facility agreement

On 28 February 2012, the commercial mortgage was assigned by RBS to Isobel AssetCo Limited

27 FINANCIAL COMMITMENTS (continued)

Facilities agreement and related debenture and cross guarantees (continued)

On 19 March 2007, the £385 million senior facilities agreement with RBC and £44 million junior facilities agreement were replaced with a new £500 million senior facility agreement with RBC 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 22 December 2011, a new super senior revolving credit facility totalling £6 million was taken out, to provide working capital for the group The facility is secured by the same charge and guarantees as the RBC senior facility

On 9 January 2012 a number of Group companies granted legal charges on certain of their properties to RBC as further security for the 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") A number of group companies guaranteed Primepanel Limited's obligations under this deed

Lease and remedial works guarantees

In 2002, National Car Parks Limited ("NCP"), a fellow group company, entered into standard security documents governed by Scottish law in favour of RBS (as Trustee) with respect to four properties in Scotland, and also entered into a fixed charge over a bank account in favour of Bishopsgate (as landlord under various leases) to secure its obligation to carry out certain remedial works to the properties held under the leases

On 8 September 2003, NCP entered into two renewal lease agreements in favour of Bishopsgate and Bishopsgate Parking (No 2) Limited ("Bishopsgate No 2"), a third party, in respect of leases over various premises A number of group companies guaranteed NCP's obligations under these agreements On 23 September 2003, these companies entered into a lease guarantee under which they are liable for the payment of the rents and other obligations of NCP as tenant under various leases

On 17 November 2003, NCP 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

28 RELATED PARTY TRANSACTIONS

MEIF II Luxembourg Holdings Sarl and MEIF II CP Holdings Sarl

On 19 March 2007 MEIF II CP 1A Limited issued a £130 million loan note to MEIF II Luxembourg Holdings Sarl On 3 September 2009 MEIF II CP 1A Limited issued a further £15 million loan note to MEIF II Luxembourg Holdings Sarl On 2 December 2010 MEIF II CP 1A Limited issued a further £25 million loan note to MEIF II Luxembourg Holdings Sarl The interest on the loan notes to date has been settled through the issue of PIK notes As at 30 March 2012 £116 4 million (31 March 2011 £82 5 million) of PIK notes had been issued as disclosed in note 17 and £9 2 million (2011 £8 1 million) of accrued interest on loan notes and PIK notes is included in accruals and deferred income in note 16

The three loan notes were transferred by MEIF II Luxembourg Holdings Sarl to MEIF II CP Holdings Sarl on 27 March 2012

Directors and certain management of the Group

On 19 March 2007 £2 2 million of shares in MEIF II CP Holdings 2 Limited were issued to key management and directors as part of an incentive plan During the period £0 3 million (2011 £nil) of these were purchased by MEIF II CP Holdings 1 Limited, leaving £nil (2011 £0 3 million) outstanding These are included in note 22 Minority Interests

Directors make any significant trading purchases from the Group and its affiliates on a normal, arms-length basis

29 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 full waiver of the £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 £10 8m were incurred in the period ended 30 March 2012, with the remainder incurred after 30 March 2012

Under the Restructuring, the Company

- waived in full its debtor due from its subsidiary, MEIF II CP Holdings 2 Limited,
- had its loan note, PIK note and accrued interest debts due to Group undertakings waived in full,
- issued additional share capital of £50 million,
- bought new shares in its subsidiary, MEIF II CP Holdings 2 Limited, for £50 million, and
- granted a charge over its shares in MEIF II CP Holdings 2 Limited as additional security for its lenders

On 15 May 2012, MEIF II CP Holdings 3 Limited purchased an interest rate cap agreement for £1 8 million, capping the 3-month LIBOR rate used as the basis for the interest payable on £105 million of the remaining external debt at a rate of 2% plus the agreed margin for the five years to 15 May 2017

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 March 2012

29 POST BALANCE SHEET EVENT – FINANCIAL RESTRUCTURING (continued)

Had the restructuring been completed at 30 March 2012, the Group balance sheet would have been amended in accordance with the proforma figures below

	Group Audited Actual 2012 £'000	Group Unaudited Proforma 2012 £'000
FIXED ASSETS		
Intangible assets	155,314	155,314
Tangible assets	92,694	92,694
	248,008	248,008
CURRENT ASSETS		
Debtors	43,564	36,869
Cash at bank and in hand	25,302	53,459
	68,866	90,328
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	(594,441)	(77,364)
NET CURRENT (LIABILITIES)/ASSETS	(525,575)	12,964
TOTAL ASSETS LESS CURRENT LIABILITIES	(277,567)	260,972
CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	(319,802)	(167,778)
PROVISIONS FOR LIABILITIES	(38 715)	(38,715)
NET (LIABILITIES)/ASSETS EXCLUDING PENSION ASSET	(636,084)	54,479
Net pension scheme asset	1,748	1,748
NET (LIABILITIES)/ASSETS INCLUDING PENSION ASSET	(634,336)	56,227
CAPITAL AND RESERVES		
Called up share capital	2,419	10
Share premium account	239,511	300,754
Profit and loss account	(876,926)	(245,197)
TOTAL SHAREHOLDERS' (DEFICIT)/FUNDS	(634,996)	55,567
Minority interest	660	660
CAPITAL EMPLOYED	(634,336)	56,227

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 March 2012

29 POST BALANCE SHEET EVENT – FINANCIAL RESTRUCTURING (continued)

Had the restructuring been completed at 30 March 2012, the Company balance sheet would have been amended in accordance with the proforma figures below

	Company Audited Actual 2012 £'000	Company Unaudited Proforma 2012 £'000
FIXED ASSETS		
Investments	-	63,400
CURRENT ASSETS		
Cash at bank and in hand	183	193
	183	193
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	(1,536)	-
NET CURRENT (LIABILITIES)/ASSETS	(1,353)	193
TOTAL ASSETS LESS CURRENT LIABILITIES	(1,353)	63,593
CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	(48,779)	-
NET (LIABILITIES)/ASSETS	(50,132)	63,593
CAPITAL AND RESERVES		
Called up share capital	2,419	10
Share premium account	239,511	300,754
Profit and loss account	(292,062)	(237,171)
TOTAL SHAREHOLDERS' (DEFICIT)/FUNDS	(50,132)	63,593

30 ULTIMATE PARENT AND CONTROLLING PARTY

The Company's immediate parent and ultimate 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 group financial statements are prepared is Macquarie European Infrastructure Fund II

The smallest group into which the financial statements of the Company for the period ended 30 March 2012 are consolidated are the Company's consolidated financial statements embodied herein