

Registered Number: 6133791

MEIF II CP Holdings 1 Limited

Annual Report and Consolidated Financial Statements

For the 52 week period ended 25 March 2016

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MEIF II CP Holdings 1 Limited

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MEIF II CP Holdings 1 Limited

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

P Hogan (appointed on 23 November 2015)

G I W Parsons

J L Cooper

J P Scott

A Bell

W D G Price

REGISTERED OFFICE

Saffron Court

14b St Cross Street

London

EC1N 8XA

BANKERS

Royal Bank of Canada Europe Limited

71 Queen Victoria Street

London

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National Westminster Bank plc

1 Princes Street

London

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INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

MEIF II CP Holdings 1 Limited

STRATEGIC REPORT

The directors present their strategic report for MEIF II CP Holdings 1 Limited (the "Company") and its subsidiaries (together the "Group") for the period ended 25 March 2016.

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.

BUSINESS ENVIRONMENT

Consumer parking demand is dependent on conditions in the retail, commuting and travel market. Combined with the improving economic climate in the UK, the Company's pricing and operational strategies with its commitment to operational excellence, have led to an increase in the number of people parking their vehicles during the year on a like for like basis.

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 Indigo.

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 in Stockport, Luton and Hinckley. 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, particularly through its award-winning national Customer Contact Centre in Manchester and the continuing roll-out of pre-book parking across its off-street car parks.

BUSINESS REVIEW

The Group's results for the 52 week period to 25 March 2016 show an improvement in the underlying profitability of its parking business and the continued benefit of realising compensation where, for example, sites are handed back to landlords for development. The financial results are shown in the statement of comprehensive income on page 11.

Overall the business achieved like for like sales growth of 6.6%, with 6.7% growth in its off-street car parks. This was caused by a 5.0% increase in volumes and by targeted changes in tariff prices following ongoing extensive reviews of pricing levels.

There has been a reduction in cost of sales primarily from changes in the mix of business and releases of provisions due to more positive trading. The Group continues to maintain tight control over operating expenses.

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.

MEIF II CP Holdings 1 Limited

STRATEGIC REPORT (continued)

BUSINESS REVIEW (continued)

Capital expenditure was concentrated in the period on meeting the Group's commitment to health and safety standards, along with technology improvements.

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 period to March 2017 will continue to improve and remains of the view that the correct strategy is in place to achieve growth through winning new contracts.

KEY PERFORMANCE INDICATORS ("KPIs")

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 2015 are as follows:

	2016 £'000	2015 £'000
Turnover	227,842	224,234
Total like for like sales growth	6.6%	5.1%
Off street like for like sales growth	6.7%	4.0%
Operating profit/(loss)	4,507	(3,356)
Add back depreciation	10,422	10,541
Add back amortisation	10,349	10,349
Add back impairment reversal	-	(5,648)
Add back loss on disposal of non-property fixed assets	-	863
Add back non-cash charge for management incentive plan	703	1,463
Earnings before interest, tax, depreciation, amortisation and exceptional items (EBITDAE)	25,981	14,212
Add back book value of disposed property fixed assets	5,899	5,543
Movement in provisions charged to the statement of comprehensive income	(6,722)	2,439
EBITDAE including cash value of asset disposals and excluding provision movements	25,158	22,194
EBITDAE as a percentage of turnover	11.4%	6.3%
EBITDAE adjusted as a percentage of turnover	11.0%	9.9%
Other relevant KPIs		
Number of transactions ('000) (number of visits)	41,837	40,187
Cash at bank and in hand	20,702	27,242
Capital expenditure	22,520	7,761
Employees (average number)	1,213	1,221
Staff absence %	3.2%	3.0%

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 share-based management incentive plan charge.

In December 2015 leases related to LED lighting installation were amended. The original contracts, which were entered into in November 2013, were accounted for as operating leases and payments under them formed part of cost of sales. As a consequence of the amendment they are now finance leases, with the costs being recognised through depreciation on the lease assets and the unwinding of the lease liability through interest costs. The benefit in the year to EBITDAE as a consequence of this change was £1,260,000. Had the leases been treated as finance leases throughout the year the benefit to EBITDAE would have totalled £3,780,000 and "EBITDAE including cash value of asset disposals and excluding provision movements" would have totalled £27,678,000.

The increase in EBITDAE is also due to the increased turnover partly offset by contractual rent escalation clauses. This has also resulted in the Group reporting an operating profit compared to an operating loss in the previous year.

The consolidated balance sheet on page 12 of the financial statements shows that the Group's financial position as at 25 March 2016 was net assets of £0.71million (2015: net assets of £2.63million).

STRATEGIC REPORT (continued)

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 to which the Group is exposed 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 in 2012, a Management Incentive Plan ("MIP") was 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.

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 102 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 and Santander UK plc. The Group has no other significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

STRATEGIC REPORT (continued)

FINANCIAL RISK MANAGEMENT (continued)

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.

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 16. The interest rates payable are either fixed or linked to LIBOR rates. The Group has used interest rate swaps and caps to protect against significant fluctuations in interest rates.

As part of the Group financial restructuring, on 15 May 2012 the Group purchased an interest rate cap at 2% plus the agreed margin on £105 million of its debt.

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



J P Scott
Director
22 June 2016

MEIF II CP Holdings 1 Limited

DIRECTORS' REPORT

The directors present their report and audited consolidated financial statements of MEIF II CP Holdings 1 Limited (the "Company") and its subsidiaries (together the "Group") for the period ended 25 March 2016.

A review of the business and future developments is included in the Strategic report on pages 2 to 5.

DIVIDEND

The directors do not recommend the payment of a dividend (2015: £nil).

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:

P Hogan (appointed on 23 November 2015)
G I W Parsons
J L Cooper
J P Scott
A Bell
W D G Price

Messrs Parsons, Price and Hogan 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.

FINANCIAL RISK MANAGEMENT

Refer to Strategic report for the financial risk management of the Group and Company.

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, which include information relating to the financial and economic factors that affect the performance of the Group. 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.

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 and provides:

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.

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.

DIRECTORS' REPORT (continued)

EMPLOYEES (continued)

The Group undertakes an annual engagement survey across all employees run by Best Companies. The return rate increased from 90% to 96% and results showed a continued improvement, placing the Group in the "ones to watch" category and just outside the Times Top 100 companies.

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 initiatives that support and participate in local community projects. On a national level, NCP is a partner of The Prince's Trust, donating £25,000 for the year (2015: £25,000). A number of local initiatives also 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 Rockinghorse.

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 and is signed up as part of the "Source London" initiative to provide a significant level of charging points in London over the medium term. 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.

Significant reductions in electricity consumption have been achieved. Initially this was 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. Subsequently a major investment in energy efficient lighting was completed in July 2014 which is resulting in a further reduction in our consumption and which won NCP the Sustainable Parking Award from the British Parking Association in March 2015. This programme is being extended across other car parks.

In conjunction with the charity Disabled Motoring UK the Group reached the standard required for their Disabled Parking Award in 113 car parks. This was recognised with winning the DMUK 2015 Parking Management Award.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the group and parent company financial statements (the "financial statements") in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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 and company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group 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.

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.

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.

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

A handwritten signature in black ink, appearing to read 'JP Scott', with a stylized flourish at the end.

JP Scott
Director
22 June 2016

Independent auditors' report to the members of MEIF II CP Holdings 1 Limited

Report on the financial statements

Our opinion

In our opinion, MEIF II CP Holdings 1 Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 25 March 2016 and of the Group's loss and cash flows for the 52 week period (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.
-

What we have audited

The financial statements, included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), comprise:

- the Consolidated and Company balance sheets as at 25 March 2016;
- the Consolidated statement of comprehensive income for the period then ended;
- the Consolidated and Company statement of changes in equity for the period then ended;
- the Consolidated statement of cash flows for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, 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) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Peter Acloque (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 June 2016

MEIF II CP Holdings 1 Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 25 March 2016

	Note	2016 £'000	2015 £'000
Gross receipts, including site owners' share	2	269,541	256,930
Less site owners' share of gross receipts	2	(41,699)	(32,696)
Turnover	2	227,842	224,234
Cost of sales		(195,571)	(207,703)
Gross Profit		32,271	16,531
Administrative expenses		(30,706)	(30,518)
Reversal of fixed asset impairment	3	-	5,694
Other operating income	6	2,942	4,937
Operating profit/(loss)	3	4,507	(3,356)
Interest receivable and similar income	7	263	283
Interest payable and similar charges	8	(6,489)	(6,795)
Loss on ordinary activities before taxation	3	(1,719)	(9,868)
Tax on loss on ordinary activities	9	(256)	(120)
Loss on ordinary activities after taxation		(1,975)	(9,988)
Profit attributable to:			
Owners of the parent		(2,559)	(10,339)
Non-controlling interests		584	351
		(1,975)	(9,988)
Other comprehensive income:			
Net actuarial gain relating to the pension scheme	18	200	600
Total tax on components of other comprehensive income	17	(240)	(283)
Other comprehensive (expense)/income for the period		(40)	317
Total comprehensive expense for the period		(2,015)	(9,671)
Total comprehensive expense attributable to:			
Owners of the parent		(2,599)	(10,022)
Non-controlling interests		584	351
		(2,015)	(9,671)

The notes on pages 16 to 38 form part of these financial statements.

All of the activities of the Group for the financial period and prior period are continuing.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 from disclosing its individual statement of comprehensive income. The profit for the Company for the year was £35,752,000 (2015: £20,051,000).

CONSOLIDATED BALANCE SHEET
As at 25 March 2016

	Note	2016. £'000	2015 £'000
FIXED ASSETS			
Intangible assets	10	113,919	124,267
Tangible assets	11	67,244	61,045
		<u>181,163</u>	<u>185,312</u>
CURRENT ASSETS			
Debtors	13	45,313	43,204
Cash at bank and in hand		20,702	27,242
		<u>66,015</u>	<u>70,446</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(69,191)	(69,260)
NET CURRENT (LIABILITIES)/ASSETS		<u>(3,176)</u>	<u>1,186</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>177,987</u>	<u>186,498</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	(150,149)	(144,604)
PROVISIONS FOR LIABILITIES	17	(31,848)	(42,662)
NET LIABILITIES EXCLUDING PENSION ASSET		<u>(4,010)</u>	<u>(768)</u>
Post-employment benefits	18	4,723	3,400
NET ASSETS INCLUDING PENSION ASSET		<u>713</u>	<u>2,632</u>
CAPITAL AND RESERVES			
Called up share capital	19	10	10
Share premium account		300,753	300,753
Retained earnings		(300,634)	(298,738)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		<u>129</u>	<u>2,025</u>
Non-controlling interests		584	607
TOTAL EQUITY		<u>713</u>	<u>2,632</u>

The notes on pages 16 to 38 are an integral part of these financial statements.

These financial statements on pages 11 to 38 were approved by the board of directors on 22 June 2016 and signed on its behalf by:



J P Scott
Director

COMPANY BALANCE SHEET
As at 25 March 2016

	Note	2016 £'000	2015 £'000
FIXED ASSETS			
Investments	12	58,824	58,824
CURRENT ASSETS			
Debtors	13	127,501	91,749
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>186,325</u>	<u>150,573</u>
CAPITAL AND RESERVES			
Called up share capital	19	10	10
Share premium account		300,753	300,753
Retained earnings		(114,438)	(150,190)
TOTAL EQUITY		<u>186,325</u>	<u>150,573</u>

The notes on pages 16 to 38 are an integral part of these financial statements.

These financial statements on pages 11 to 38 were approved by the board of directors on 22 June 2016 and signed on its behalf by:



J P Scott
Director

MEIF II CP Holdings 1 Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 25 March 2016

	Note	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total £'000	Non- controlling interest £'000	Total Equity £'000
Balance as at 28 March 2014		10	300,753	(290,179)	10,584	256	10,840
(Loss)/Profit for the financial period		-	-	(10,339)	(10,339)	351	(9,988)
Other comprehensive income for the period		-	-	317	317	-	317
Total comprehensive (expense)/income for the period		-	-	(10,022)	(10,022)	351	(9,671)
Charge in relation to management incentive plan	5b	-	-	1,463	1,463	-	1,463
Balance as at 27 March 2015		10	300,753	(298,738)	2,025	607	2,632
(Loss)/Profit for the financial period		-	-	(2,559)	(2,559)	584	(1,975)
Other comprehensive expense for the period		-	-	(40)	(40)	-	(40)
Total comprehensive (expense)/income for the period		-	-	(2,599)	(2,599)	584	(2,015)
Charge in relation to management incentive plan	5b	-	-	703	703	-	703
Dividend Paid		-	-	-	-	(607)	(607)
Balance as at 25 March 2016		10	300,753	(300,634)	129	584	713

The non-controlling 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.

COMPANY STATEMENT OF CHANGES IN EQUITY
For the period ended 25 March 2016

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total Equity £'000
Balance as at 28 March 2014	10	300,753	(170,241)	130,522
Profit for the financial period	-	-	20,051	20,051
Balance as at 27 March 2015	10	300,753	(150,190)	150,573
Profit for the financial period	-	-	35,752	35,752
Balance as at 25 March 2016	10	300,753	(114,438)	186,325

MEIF II CP Holdings 1 Limited

CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 25 March 2016

	Note	2016 £'000	2015 £'000
Net cash from operating activities	22	6,028	16,465
Taxation paid		(223)	(108)
Net cash generated from operating activities		<u>5,805</u>	<u>16,357</u>
Cash flow from investing activities			
Interest received		163	183
Purchase of tangible assets		(8,217)	(7,761)
Proceeds from disposals of tangible assets		5,899	4,847
Net cash used in investing activities		<u>(2,155)</u>	<u>(2,731)</u>
Cash flow from financing activities			
Capital repayment of obligations under finance lease		(2,063)	(445)
Interest repayment of obligations under finance lease		(557)	(141)
Repayment of bank loan		(3,568)	(4,094)
Dividends paid to non-controlling interests		(607)	-
Interest and other financing costs paid		(3,395)	(4,555)
Net cash used in financing activities		<u>(10,190)</u>	<u>(9,235)</u>
(Decrease)/increase in cash and cash equivalents		<u>(6,540)</u>	<u>4,391</u>
Cash and cash equivalents at beginning of the period		27,242	22,851
Cash and cash equivalents at end of the period		20,702	27,242

The notes on pages 16 to 38 form part of these financial statements.

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 25 March 2016

1. ACCOUNTING POLICIES

General Information

MEIF II CP Holdings 1 Limited (the "Company") is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is Saffron Court, 14b St Cross Street, London, EC1N 8XA.

The principal activity of the Company is that of an investment holding company.

Statement of compliance

The Group and individual financial statements of MEIF II CP Holdings 1 Limited have been prepared in compliance with the applicable United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") in the United Kingdom.

The Group and Company have also early adopted the amendments to FRS 102 which were issued in July 2015.

Summary of significant accounting policies

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. Details of the transition to FRS 102 are disclosed in note 26.

Basis of preparation

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.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1 under critical judgement and estimates in applying the accounting policies.

The profit for the financial period ended 25 March 2016 dealt with in the financial statements of the parent company was £35,752,000 (2015: £20,051,000). As permitted by section 408 of the Companies Act 2006, no separate statement of comprehensive income is presented in respect of the parent company.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 25 March 2016 (2015: 27 March 2015). 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. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the equity and any movements in relation to the non-controlling interest are included as movements in the period.

Going concern

On the basis of their assessment of the Group's financial position and resources, the directors believe that the Group is well placed to manage its business risks. Therefore the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- (i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- (ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- (iii) from disclosing share based payment arrangements, required by paragraphs 26.18(b), 26.19 to 26.21 and 26.23 of FRS 102, concerning its own equity instruments;
- (iv) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- (v) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 25 March 2016

1. ACCOUNTING POLICIES (continued)

Foreign currency

(i) Functional and presentation currency

The Group financial statements are presented in pound sterling and rounded to thousands.

The Company's functional and presentation currency is the pound sterling.

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 statement of comprehensive income are:

(i) "Gross receipts, including site owners' share" which represent total receipts including the car park receipts received by the Group 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.

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), is recognised when the Group obtains the right to consideration under contractual terms.

Employee benefits

The Group provides a range of benefits to employees, including discretionary bonuses, holiday arrangements, defined benefit and defined contribution pension plans.

Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Pensions

The Group operates a defined benefit pension scheme and a defined contribution scheme. Contributions to the scheme are charged to the statement of comprehensive income 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 arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. Pension schemes' surpluses, or deficits are recognised in full and presented on the face of the balance sheet.

For the defined contribution scheme the amount charged to the statement of comprehensive income 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.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 25 March 2016

1. ACCOUNTING POLICIES (continued)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

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.

(ii) Deferred tax

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 using tax rates and laws that have been enacted or substantively enacted 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.

Business combinations and 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 was set as 20 years in 2009 and remains to be an appropriate life span. 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 statement of comprehensive income. Amortisation of intangible assets is included within "Administrative expenses".

The Group has elected not to apply Section 19 "Business Combinations and Goodwill" to business combinations that were effected before the date of transition to FRS 102. No adjustment has been made to the carrying value of goodwill and intangible assets subsumed within goodwill have not been separately recognised.

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 statement of comprehensive income 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 Section 16 of FRS 102, these are stated in the financial statements at directors' valuation, which is carried out by an internal or external surveyor on behalf of the group at the period end based on open market value.

Changes in the market value of investment properties are taken to other comprehensive income, unless a deficit (or its reversal) on an individual investment property is expected to be permanent, in which case it should be charged (or credited) in the statement of comprehensive income of the period.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 25 March 2016

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

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.

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 Section 16 of FRS 102, 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 11 to the financial statements.

Impairment of tangible assets is recognised in the statement of comprehensive income and included under 'Other operating (losses)/gains'.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in statement of comprehensive income and included in 'Other operating (losses)/gains'.

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 statement of comprehensive income 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 statement of comprehensive income in each period as interest payable and similar charges.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 25 March 2016

1. ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing.

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, and an assessment of recoverable value is performed where indications of impairment exist. 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 statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

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 statement of comprehensive income on a straight-line basis over the lives of the leases.

Rental income from operating leases is credited to the statement of comprehensive income on a receivable basis over the term of the lease.

Incentives received to enter into an operating lease are credited to P&L to reduce the lease expense on a straight line basis over the period of the lease.

The Group and Company have taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (29 March 2014) and continues to credit such lease incentives to the statement of comprehensive income over the period to the first review date on which the rent is adjusted to market rates.

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. At inception of the lease the asset is capitalised, is recognised as a liability and the amount capitalised is the present value, calculated using the interest rate implicit in the lease, 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 statement of comprehensive income.

Deferred government grants

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

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 statement of comprehensive income over the terms of the loan facilities at a constant rate on the carrying amount. Interest costs of the debt are recognised in the statement of comprehensive income over the term of such instruments at a constant rate on the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 25 March 2016

1. ACCOUNTING POLICIES (continued)

Provisions for liabilities

Provisions are recognised when the Group 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. Provisions are generally measured at present value of the expenditures required to settle 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.

Financial instruments

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

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

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

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

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

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in statement of comprehensive income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

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

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS For the period ended 25 March 2016

1. ACCOUNTING POLICIES (continued)

Critical judgements and estimates in applying the accounting policies

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Impairment of goodwill (note 10)

The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value. This requires estimation of the future cash flows and also a selection of appropriate discount rates in order to calculate the net present value of those cash flows.

(ii) Provisions (note 17)

Provision is made for the dilapidations and onerous leases. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

(iii) Defined benefit pension scheme (note 18)

The group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rates on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

2. TURNOVER

Class of business	2016 £'000	2015 £'000
Car parking	222,717	219,007
Rental income	5,125	5,227
	<u>227,842</u>	<u>224,234</u>

(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) 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 statement of comprehensive income are:

(i) "Gross receipts, including site owners' share" which represents total receipts including the car park receipts received by the Group 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. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:	2016 £'000	2015 £'000
Auditors' remuneration		
- for the audit of the Company's financial statements	85	85
- for the audit of the subsidiaries' financial statements	177	177
- other services	71	9
Goodwill amortisation	10,349	10,349
Depreciation of owned assets	9,134	9,043
Depreciation of leased assets	1,288	1,498
Impairment charge for tangible fixed assets	-	46
Loss on disposal of fixed assets	-	863
Operating lease rentals - land and buildings	131,136	133,571
Operating lease rentals - other	1,188	1,197
After crediting:		
Amortisation of government grants	17	17
Reversal of fixed assets impairment	-	5,694

The Company's audit fee of £85,000 (2015: £85,000) has been borne by National Car Parks Limited, a subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 25 March 2016

3. OPERATING PROFIT/(LOSS) (continued)

Operating properties are assessed for potential impairment based upon discounted future cash flows. Following these reviews of the value of the portfolio of properties at 25 March 2016, an impairment charge of £nil (2015: net credit of £5,648,000) has been recognised as a credit/charge to profit for changes deemed permanent.

The impairment reversal of £5,694,000 in 2015 relates to a portfolio of sites. At 30 March 2012 an impairment of £9,497,000 was recognised in relation to this portfolio. At March 2015 there had been an improvement in the value of the portfolio primarily due to substantial reductions achieved to the rateable value of a number of the properties, with no significant change to other assumptions including revenue and other cost growth rates or discount rate used.

4. REMUNERATION OF DIRECTORS

	28 March 2015 to 25 March 2016 £'000	29 March 2014 to 27 March 2015 £'000
Directors' salary, fees and benefits in kind	515	498
Bonus	264	195
Employers pension costs	40	39
Share-based management incentive plan	316	658
	<u>1,135</u>	<u>1,390</u>

Post-employment benefits are accruing for no directors (2015: none) under a defined benefit scheme. Two directors (2015: two) were members of defined contribution schemes.

All members of key management are also directors.

	2016 £'000	2015 £'000
Highest paid director		
Salary and benefits in kind	311	274
Bonus	204	120
Employers pension contribution	24	24
Share-based management incentive plan (note 5b)	211	439
	<u>750</u>	<u>857</u>

Gordon Parsons, William Price and Philip Hogan are employees of Macquarie Capital Group Limited, London Branch, an affiliate of the manager of Macquarie European Infrastructure Fund II, the manager of the ultimate parent of the Group. No fees were payable during the period to them in respect of their services to the Group.

Executive directors are eligible to participate in an annual bonus scheme which is designed to motivate them to achieve the Company's key financial, operational and strategic objectives through a combination of financial, corporate and personal performance targets. The amount of any annual bonus is determined by performance against set targets and is at the discretion of the Remuneration Committee, which comprises certain of the non-executive directors.

5. EMPLOYEES

(a) Employee numbers and cost

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:

	2016	2015
Directors	6	5
Managerial and clerical staff	182	170
Operational staff	1,025	1,046
	<u>1,213</u>	<u>1,221</u>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 25 March 2016

5. EMPLOYEES (continued)**(a) Employee numbers and cost (continued)**

The aggregate payroll costs of these persons were as follows:

	2016 £'000	2015 £'000
Wages and salaries	25,925	25,257
Social security costs	2,869	2,620
Other pension costs	538	595
Redundancy costs	64	267
Share-based management incentive plan (note 5b)	703	1,463
	<u>30,099</u>	<u>30,202</u>

Other pension costs represents £125,000 (2015: £141,000) in respect of the NCP defined benefit scheme (note 18) and £413,000 (2015: £454,000) in respect of defined contribution schemes.

(b) Management incentive plan

As part of the financial restructuring completed on 27 April 2012, the Company introduced a management incentive plan for certain directors and senior management. Under the plan, NCP Manco Limited, which is owned by senior managers and directors of companies in the Group, subscribed for C ordinary shares in the Company (the "C Shares") on behalf of the participating senior managers and directors (the "C Shareholders").

As explained below, although a charge has been recognised in the financial statements, no cash payments have been made under the incentive plan. Cash payments will only become payable if the value of the business is such that it delivers an amount sufficient to fully repay outstanding debt and provide a return to the investors in the business.

If a participant ceases to be an employee of the Company, the participant forfeits a percentage of their shares in NCP Manco Limited as set out below:

Cessation Date of relevant Departing Employee	Forfeiture Percentage
Up to but not including 31 March 2015	100%
From (and including) 31 March 2015 up to but not including 31 March 2016	60%
From (and including) 31 March 2016 up to but not including 31 March 2017	40%
From (and including) 31 March 2017 up to but not including 31 March 2018	20%
From (and including) 31 March 2018 onwards	0

On the sale of the business, the amount for which the C Shares must be purchased is determined as a percentage of the sale proceeds after the repayment of any outstanding debt. The percentage varies according to the notional rate of return achieved on an investment of £58.8m on 27 April 2012.

If no sale of the business occurs by 31 March 2018, the C shareholders can exercise a put option whereby MEIF II CP Holdings Sarl, the immediate parent of the Company, is required to buy the C Shares at fair value at that date.

As the rights to the C Shares are subject to forfeiture conditions, the rights accrue over different vesting periods and the charge for each proportion is spread over its own vesting period.

In accordance with UK accounting standards, the plan is being accounted for as an equity settled equity instrument, with the total employee benefit calculated as the fair value of the C Shares at the date on which the C Shareholders subscribed for shares in NCP Manco Limited.

Based on the directors estimate of the value at the subscription date in 2012 of £5.7 million, a charge of £703,000 (2015: £1,463,000) has been recognised in the period.

6. OTHER OPERATING INCOME

	2016 £'000	2015 £'000
Compensation income	2,925	4,920
Amortisation of government grant	17	17
	<u>2,942</u>	<u>4,937</u>

Compensation income relates to payments for early removal or termination of a lease on car park sites and is stated after deduction of the book value of the lease of £nil (2015: £803,000).

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 25 March 2016

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £'000	2015 £'000
Bank interest receivable	163	183
Other finance income (note 18(c))	100	100
	<u>263</u>	<u>283</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £'000	2015 £'000
On bank overdrafts and other borrowings:		
Commercial mortgage facility: interest payable	-	136
Commercial mortgage facility: break fee	-	431
Bank loans	3,987	3,943
Finance leases	557	243
Other	15	25
	<u>4,559</u>	<u>4,778</u>
Amortisation of debt issue costs:		
Bank loans	112	112
Interest rate cap	354	354
	<u>466</u>	<u>466</u>
Notional interest:		
On provisions (note 17)	1,383	1,455
On creditors due	81	96
	<u>1,464</u>	<u>1,551</u>
Total interest payable	<u>6,489</u>	<u>6,795</u>

Notional interest represents the unwinding of the discount in relation to provisions for dilapidations and onerous contracts and on creditors due after more than one year.

9. TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Tax expense included in statement of comprehensive income

	2016 £'000	2015 £'000
Current tax:		
UK Corporation tax on profits for the period	(237)	(170)
Adjustment in respect of prior periods	1	18
Total current tax	<u>(236)</u>	<u>(152)</u>
Deferred tax:		
Origination and reversal of timing differences	(20)	32
Adjustment in respect of prior periods	-	-
Total deferred tax (note 17)	<u>(20)</u>	<u>32</u>
Tax charge on loss on ordinary activities	<u>(256)</u>	<u>(120)</u>

(b) Tax expense included in other comprehensive income

	2016 £'000	2015 £'000
Deferred tax:		
Origination and reversal of timing differences	(240)	(283)
Total tax expense included in other comprehensive income	<u>(240)</u>	<u>(283)</u>

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 25 March 2016

9: TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

(c) 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 20% (2015: 21%). The differences are explained below:

	2016 £'000	2015 £'000
Loss on ordinary activities before taxation	<u>(1,719)</u>	<u>(9,868)</u>
Tax credit at 20% (2015: 21%) thereon:	(344)	(2,072)
Effects of:		
Expenses not deductible for tax purposes	2,221	2,693
Depreciation on non-qualifying assets	212	226
Capital allowances in excess of depreciation	928	1,439
Non taxable income	(4)	(4)
Chargeable gain	-	(93)
Impairment	-	(1,186)
Utilisation of losses	(2,776)	-
Prior period adjustment	(1)	(18)
Movement in deferred tax	20	(32)
Losses not recognised as a deferred tax asset	-	(833)
Total tax charge for the period	<u>256</u>	<u>120</u>

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 £79,224,000 (2015: £94,987,000). The unrecognised deferred tax asset would be recovered should the Group have future profits to offset against this amount.

(d) 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 £18,000 (2015: £22,000).

10. INTANGIBLE ASSETS

Group	Goodwill £'000
Cost	
At 28 March 2015 and 25 March 2016	<u>710,487</u>
Accumulated amortisation	
At 28 March 2015	586,219
Charge for the period	<u>10,349</u>
At 25 March 2016	<u>596,568</u>
Net book value	
At 27 March 2015	<u>124,268</u>
At 25 March 2016	<u>113,919</u>

Company

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

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 25 March 2016

11. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Long leasehold properties £'000	Short leasehold properties £'000	Fixtures, fittings, plant and machinery £'000	Total £'000
Cost and valuation					
At 28 March 2015	13,843	6,404	38,289	116,574	175,110
Addition	-	-	131	22,389	22,520
Reclassification	(642)	-	642	-	-
Disposals	(12,696)	-	-	-	(12,696)
At 25 March 2016	505	6,404	39,062	138,963	184,934
Accumulated depreciation					
At 28 March 2015	6,920	2,520	19,755	84,870	114,065
Charge for the period	-	62	1,461	8,899	10,422
Reclassification	-	-	-	-	-
Disposals	(6,797)	-	-	-	(6,797)
At 25 March 2016	123	2,582	21,216	93,769	117,690
Net book value					
At 25 March 2016	382	3,822	17,846	45,194	67,244
At 27 March 2015	6,923	3,884	18,534	31,704	61,045

The net book value of land and buildings comprises of:

	Operating properties £'000	Investment properties £'000	Total £'000
Freehold	34	348	382
Long leasehold	3,822	-	3,822
Short leasehold	17,460	386	17,846
	21,316	734	22,050

An independent valuation of the investment properties was carried out by EWS, Chartered Surveyors, as at March 2014. In the current year properties were revalued 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 these reviews of the value of the portfolio of properties at 26 March 2016, no impairment charge (2015: credit of £5,648,000) has been recognised.

Included in freehold land and property is land valued at £12,000 (2015: £2,676,000) and property valued at £366,000 (2015: £4,247,000) which are not depreciated.

The net carrying amount of assets held under finance leases included in fixtures, fittings, plant and machinery is £12,623,000 (2015: £259,000).

Company

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

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS For the period ended 25 March 2016

12. FIXED ASSET INVESTMENTS

	Company £'000
Cost	
At 28 March 2015 and 25 March 2016	291,819
Provision for impairment	
At 28 March 2015 and 25 March 2016	232,995
Net book value	
At 27 March 2015 and 25 March 2016	58,824

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The Company's fixed asset investments consist of:

(a) shares in MEIF II CP Holdings 2 Limited representing a 100% holding (2015: 100%), with a total value £291,818,645 (2015: £291,818,645) comprising:

- 238,999,811 (2015: 238,999,811) Non-Voting Preference Shares;
- 910,001 (2015: 910,001) Investor Ordinary Shares;
- 86,450 (2015: 86,450) Employee A Ordinary Shares;
- 3,550 (2015: 3,550) Employee B Ordinary Shares; and
- 20 (2015: 20) Non-Voting Deferred Shares.

(b) 1 (2015: 1) Ordinary Share of £1 in MEIF II CP 1A Limited. 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.

The Company has investments in the following subsidiary undertakings.

Name	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	Dormant	Ordinary	100%
MEIF II CP Holdings 3 Limited	England	Holding company	Ordinary	100%
MEIF II CP SPV 1 Limited	England	Financing Company	Ordinary	100%
MEIF II CP SPV 2 Limited	England	Financing 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 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 West Development Limited	England	Property trading	Ordinary	100%
NCP North West 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%
Parking Holdings Limited	England	Dormant	Ordinary	100%
Parking International Holdings Limited	England	Dormant	Ordinary	100%

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 25 March 2016

12. FIXED ASSET INVESTMENTS (continued)

Name	Country of incorporation or principal business address	Principal activity	Class of share	Holding
Oval (2042) Limited	England	Dormant	Ordinary	100%
Blaxmill (Twenty-Five) Limited	England	Dormant	Ordinary	100%
Blaxmill (Twenty-Six) Limited	England	Dormant	Ordinary	100%
Blaxmill (Thirty-Eight) Limited	England	Dormant	Ordinary	100%
National Car Parks Group Limited	England	Dormant	Ordinary	100%
Pointeuro III	England	Dormant	Ordinary	100%
NCP Holdings Limited	England	Dormant	Ordinary	100%
National Parking Corporation Limited	England	Dormant	Ordinary	100%
NCP London Central City Development Limited	England	Dormant	Ordinary	100%
NCP North East Limited	England	Dormant	Ordinary	100%
NCP North East Development Limited	England	Dormant	Ordinary	100%
NCP North West Development Limited	England	Dormant	Ordinary	100%
NCP Northern Ireland Limited	England	Dormant	Ordinary	100%
NCP Property Management Limited	England	Dormant	Ordinary	100%
NCP Scotland Limited	England	Dormant	Ordinary	100%
NCP South West & Wales Development Limited	England	Dormant	Ordinary	100%
NCP Empire No.1 Limited	England	Dormant	Ordinary	100%
NCP Empire No. 4 Limited	England	Dormant	Ordinary	100%
John Matthews Properties Limited	England	Dormant	Ordinary	100%
Regent Lion Properties Limited	England	Dormant	Ordinary	100%
Parking Management Limited	England	Dormant	Ordinary	100%
Finsbury Square Car Park Limited	England	Dormant	Ordinary	100%
Beardmore Properties Limited	England	Dormant	Ordinary	100%
Hanmead Limited	England	Dormant	Ordinary	100%
M. A. C. Car Parks (UK) Limited	England	Dormant	Ordinary	100%
Motor Lodge Developments Limited	England	Dormant	Ordinary	100%
National Car Park Maintenance Limited	England	Dormant	Ordinary	100%
Parking Security Services Limited	England	Dormant	Ordinary	100%
Parking Management (Investments) Limited	England	Dormant	Ordinary	100%
NCP Limited	England	Dormant	Ordinary	100%
NCP Nominees Limited	England	Dormant	Ordinary	100%
Smalton Investments Limited	England	Dormant	Ordinary	100%
Townway Construction and Development Limited	England	Dormant	Ordinary	100%
Stepbranch Limited	England	Dormant	Ordinary	100%
Europarks Limited	England	Dormant	Ordinary	100%
Europarks UK Limited	England	Dormant	Ordinary	100%

+ Held directly by the Company

All subsidiary undertakings are included within the consolidated financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 25 March 2016

13. DEBTORS

	25 March 2016		27 March 2015	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Amounts due within one year				
Trade debtors	8,502	-	3,237	-
Amounts owed by group undertakings	-	127,501	-	91,749
Other debtors	4,435	-	3,870	-
Prepayments and accrued income	32,377	-	36,097	-
	<u>45,313</u>	<u>127,501</u>	<u>43,204</u>	<u>91,749</u>

Amounts owed by Group undertakings include £239,000,000 (2015: £239,000,000) which are interest bearing at a rate of 15% and repayable on a six month cumulative basis, and £323,534,000 (2015: £287,781,000) which are non-interest bearing. No provision (2015: £15,700,000) was created in the period, leaving the provision at £435,032,000 (2015: £435,032,000) against these amounts. Trade debtors are stated after provision for impairments.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	25 March 2016	27 March 2015
	£'000	£'000
Trade creditors	4,761	5,255
Obligations under finance leases (note 16)	2,873	501
Other loans (note 16)	484	254
Corporation taxation	103	90
Other taxation and social security	3,862	4,654
Other creditors	1,099	1,556
Accruals and deferred income	56,009	56,950
	<u>69,191</u>	<u>69,260</u>

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

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	25 March 2016	27 March 2015
	£'000	£'000
Senior loans (note 16)	136,206	139,662
Obligations under finance leases (note 16)	10,053	277
Other loans (note 16)	1,940	1,774
Other creditors	1,394	2,318
Government grants	556	573
	<u>150,149</u>	<u>144,604</u>

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 25 March 2016

16. LOANS AND OTHER BORROWINGS

During the period the Group had the following loan facilities and other borrowings:

	2016 £'000	2015 £'000
Senior loan	136,206	139,662
Obligations under finance leases and hire purchase	12,926	778
Other loans	2,424	2,028
	<u>151,556</u>	<u>142,468</u>

Senior loan

On 19 March 2007, a new senior facility totalling £500 million was taken out with Royal Bank of Canada ("RBC"). £425 million of these facilities were drawn down by MEIF II CP Holdings 3 Limited, a subsidiary of the 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.

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 statement of comprehensive income 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 £0.2 million.

On 27 April 2012 as part of the Group's financial restructuring, the senior facility was reduced to £140 million. The senior loan accrues interest on a monthly basis at LIBOR plus 2.25%, with interest paid quarterly in arrears. The margin increases to 2.75% and 3.25% with effect from 1 April 2016 and 1 April 2017 respectively. A debt repayment of £3,568,000 was made in the period on the disposal of some property assets. The senior loan is due for repayment in full on 31 March 2018.

Maturity of senior loan

	25 March 2016 £'000	27 March 2015 £'000
More than 2 years but not more than 5 years	136,432	140,000
	<u>136,432</u>	<u>140,000</u>

Obligations under finance leases and hire purchase contracts

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

	25 March 2016 £'000	27 March 2015 £'000
Within 1 year	2,873	501
More than 1 year but not more than 5 years	10,053	277
	<u>12,926</u>	<u>778</u>

Other loans

Amounts due under other loans are as follows:

	25 March 2016 £'000	27 March 2015 £'000
Within 1 year	484	254
More than 1 year but not more than 5 years	1,637	1,148
More than 5 years	303	626
	<u>2,424</u>	<u>2,028</u>

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

NOTES TO THE FINANCIAL STATEMENTS For the period ended 25 March 2016

17. PROVISIONS FOR LIABILITIES

The Group had the following provisions during the year:

Group	Dilapidations £'000	Onerous contracts £'000	Deferred taxation £'000	Total £'000
At 27 March 2015	25,654	16,328	681	42,662
(Credited) / charged to the statement of comprehensive income	(1,762)	(4,960)	20	(6,702)
Charged to other comprehensive income	-	-	240	240
Utilised during the year	(2,408)	(3,328)	-	(5,736)
Unwind of discount	663	720	-	1,383
At 25 March 2016	22,147	8,760	941	31,848

Dilapidations

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. Most of the property leases have an obligation to fulfil dilapidations.

Each year the provision is assessed taking into account the condition of the buildings and whether any sites have closed for which a provision was previously held. As a result of this assessment there has been a reduction in the provision of £1,762,000 (2015: charge of £2,500,000)

Onerous contracts

The provision for onerous contracts represents forecast losses on loss-making property leases up to the lease termination date and subsequently discounted to reflect the timing of future cash flows.

The credit to the statement of comprehensive income is driven by two factors. Firstly, the growth rate assumptions have been increased by 0.5% compared to 2015 as trading results have improved. Secondly, the timing of when we expect to exit two sites which have a significant impact on the provision has come forward by one year.

Deferred tax

The provision for deferred tax consists of the following deferred tax liabilities:

	2016 £'000	2015 £'000
Capital allowances	-	-
Post-employment benefits	941	660
	<u>941</u>	<u>660</u>

Deferred tax liability relating to pension scheme asset

Group	2016 £'000	2015 £'000
At start of period	681	358
Deferred tax charge in statement of comprehensive income	20	40
Deferred tax debited to other comprehensive income	240	283
At end of period	<u>941</u>	<u>681</u>

Company

The Company had no provisions in either period.

18. POST-EMPLOYMENT BENEFITS

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 2015 were updated to the accounting date by an independent qualified actuary in accordance with Section 28 of FRS 102 'Employee benefits'. The funding target is for the scheme to hold assets equal in value to the accrued benefits based on projected salaries. If there is a shortfall against this target, then the Company and Trustees will agree on deficit contributions to meet this deficit over a period.

Contributions are set based upon funding valuations carried out every three years; the next valuation is due to be carried out as at 5 April 2018. The estimated amount of total employer contributions expected to be paid to the plan during 2016/17 is £1.2 million (2015/16 actual: £1.1 million).

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 25 March 2016

18. POST-EMPLOYMENT BENEFITS (continued)

(a) The major assumptions used in the calculation required under Section 28 of FRS 102 'Employee benefits' were:

	25 March 2016	27 March 2015
Retail Prices Index inflation	2.9% pa	3.0% pa
Consumer Prices Index inflation	1.9% pa	2.0% pa
Discount rate	3.4% pa	3.2% pa
Pension increases in payment	2.8% pa	2.9% pa
Salary increases		
Category A	2.9% pa	3.0% pa
Category B	2.9% pa	3.0% pa
Life expectancy of male aged 65 in 2016 / 2015	22.8 years	22.9 years
Life expectancy of female aged 65 in 2016 / 2015	24.9 years	25.4 years
Life expectancy of male aged 65 in 2036 / 2035	24.5 years	24.7 years
Life expectancy of female aged 65 in 2036 / 2035	26.8 years	27.4 years

(b) Reconciliation of scheme assets and defined benefit obligations:

	Scheme assets £'000	Defined benefit obligations £'000	Total £'000
At 27 March 2015	48,900	(45,500)	3,400
Benefits paid	(2,400)	2,400	-
Employer contributions	1,123	-	1,123
Current service cost	-	(100)	(100)
Interest income / (expense)	1,500	(1,400)	100
Re-measurement gains / (losses)			
- Actuarial gains	-	2,823	2,823
- Loss on plan assets excluding interest income	(2,623)	-	(2,623)
At 25 March 2016	46,500	(41,777)	4,723

(c) The amounts recognised in the statement of comprehensive income:

	2016 £'000	2015 £'000
Employer's part of current service cost	(100)	(100)
Interest cost	(1,400)	(1,700)
Expected return on plan assets	1,500	1,800
Total income included in the statement of comprehensive income	-	-

(d) The amounts recognised in other comprehensive income:

	2016 £'000	2015 £'000
Net actuarial (gain)/loss in the year	(2,823)	5,100
Loss/(Gain) from return on plan assets less interest on plant assets	2,623	(5,700)
Gain to recognise in other comprehensive income	(200)	(600)

The actual return on the plan's assets over the period to 25 March 2016 was a loss of £1.1 million (2015: gain of £7.5 million).

The cumulative amount recognised from 31 March 2007 to 25 March 2016 included in other comprehensive income is a loss of £4.8 million.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 25 March 2016

18. POST-EMPLOYMENT BENEFITS (continued)

(e) The current allocation of the plan's assets are as follows:

	25 March 2016	27 March 2015
Equity instruments and diversified growth fund	38%	41%
Debt instruments	61%	58%
Other	1%	1%
	<u>100%</u>	<u>100%</u>

The group also provides a defined contribution scheme for certain of its employees. The amount recognised as an expense for the defined contribution scheme was £413,000 (2015: £454,000)

19. CALLED UP SHARE CAPITAL

	Group and Company 25 March 2016 £'000	Group and Company 27 March 2015 £'000
Issued and fully paid:		
85,000 (2015: 85,000) A Ordinary Shares of £0.10 each	9	9
10,000 (2015: 10,000) C Ordinary Shares of £0.15 each	1	1
	<u>10</u>	<u>10</u>

A and B shareholders are entitled to one vote per share. C and D shares do not have voting rights.

All ordinary shares are entitled to receive dividends, in proportion to the amount paid up on the shares.

On a liquidation of, winding up of or other return of capital by the Company, the assets shall be distributed as follows:

- firstly, the holders of ordinary shares shall be entitled to receive an amount equal to the aggregate paid-up nominal value of each ordinary share, on a pari passu basis;
- secondly, the holders of C ordinary shares shall be entitled to receive an amount calculated as a percentage of the value of the business after the repayment of any outstanding debt. The percentage varies according to the notional rate of return achieved on an investment of £58.8m on 27 April 2012. The maximum value of the C shares is set at £30 million;
- thirdly, to the extent that no sale or listing of the Company has occurred on or prior to 31 March 2018, and to the extent that B and/or C shares are acquired within 90 business days of 31 March 2018 by the holders of A ordinary shares, the holders of the A ordinary shares are entitled to receive an amount based on the amount paid for the acquisition of the C shares;
- fourthly, where the amount distributed (after deducting any amounts to be paid under the steps above) is an amount up to the amount equivalent to a 25% rate of return on an investment of £58.8 million on 27 April 2012, the holders of A and B ordinary shares shall be entitled to receive such amount pro rata to the number of A and B ordinary shares as are issued; and
- fifthly, where there is a further amount to be distributed (after deducting any amounts to be paid under the steps above), the holders of A and B ordinary shares shall be entitled in aggregate to 50% of such excess amount, allocated pro rata to the number of A and B ordinary shares as are issued.

20. CONTINGENT LIABILITIES

Under a Group registration the Company is jointly and severally liable for value added tax due by other Group Companies. At 25 March 2016, this contingent liability amounted to £3.5 million (2015: £3.4 million). Contingent guarantees are disclosed in note 21.

At 25 March 2016 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.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 25 March 2016

21. CAPITAL AND OTHER COMMITMENTS

Capital commitments are as follows:

	25 March 2016 £'000	27 March 2015 £'000
Contracted but not provided for:		
Other	295	407

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Group	25 March 2016 £'000	27 March 2015 £'000
Expiry date:		
Not later than one year	8,815	910
Later than one year and not later than five years	26,571	50,183
Later than five years	1,488,636	1,527,240
	<u>1,524,021</u>	<u>1,578,333</u>

The Group is also obliged to make additional performance-related rental payments on a number of sites. In the period ended 25 March 2016 these additional payments amounted to £47.6 million (2015: £50.4 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 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. 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.

On 27 April 2012 as part of a financial restructuring, the senior facility was reduced to £140 million.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 25 March 2016

22. NOTES TO THE CASH FLOW STATEMENT

	2016 £'000	2015 £'000
Loss for the financial period	(1,975)	(9,988)
Adjustments for:		
Tax on loss on ordinary activities	256	120
Net interest expense	6,226	6,512
Operating profit	4,507	(3,356)
Charge in relation to management incentive plan	703	1,463
Depreciation, impairment and amortisation	20,771	15,241
Loss on disposal	-	863
Increase in debtors	(3,486)	(1,061)
(Decrease)/Increase in creditors	(4,009)	6,290
Decrease in provisions	(12,458)	(2,975)
Net cash generated from operating activities	6,028	16,465

23. FINANCIAL INSTRUMENTS

The carrying value of the Group's and Company's financial assets and liabilities are summarised by category below:

	Note	25 March 2016		27 March 2015	
		Group £'000	Company £'000	Group £'000	Company £'000
Financial assets					
<i>Measured at amortised cost</i>					
- Trade debtors	13	8,502	-	3,237	-
- Amounts owed by group undertakings	13	-	127,501	-	91,749
- Other debtors	13	4,435	-	3,870	-
- Cash at bank and in hand		20,702	-	27,242	-
		33,639	127,501	34,349	91,749
Financial liabilities					
<i>Measured at fair value through profit and loss</i>		-	-	-	-
<i>Measured at amortised cost</i>					
- Senior loan	15	136,206	-	139,662	-
- Other loans	14/15	2,424	-	2,028	-
- Obligations under finance leases	14/15	12,926	-	778	-
- Trade creditors	14	4,761	-	5,255	-
- Other creditors	14/15	2,493	-	3,874	-
		158,810	-	151,597	-

24. RELATED PARTY TRANSACTIONS

Directors and certain management of the Group

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

In accordance with the exemption available under Section 33.1A 'Related Party Disclosures', transactions with other group undertakings have not been disclosed in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 25 March 2016

25. ULTIMATE PARENT AND CONTROLLING PARTY

The Company's ultimate 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 Company's immediate parent company and controlling party is MEIF II CP Holdings Sarl, a société à responsabilité limitée incorporated under the laws of Luxembourg.

The largest and smallest group into which the financial statements of the Company for the period ended 25 March 2016 are consolidated are the Company's consolidated financial statements embodied herein.

26. TRANSITION TO FRS 102

This is the first year that the Group and Company have presented its results under FRS 102. The last financial statements under previous UK GAAP were for the period ended 27 March 2015. The date of transition to FRS 102 was 29 March 2014. The Group and Company has early adopted the amendments to FRS 102 (issued in July 2015). Set out below are the changes in accounting policies which reconcile profit for the financial year ended 27 March 2015 and the total equity as at 29 March 2014 and 27 March 2015 between UK GAAP as previously reported and FRS 102.

Transition exemptions

The Group and Company have taken the following transition exemptions in preparing its first financial statements under FRS 102.

- (i) The Group and Company have taken advantage of the transition exemption under paragraph 35.10(p) of FRS 102 to continue to recognise the existing lease incentives at the transition date on the same basis as previous UK GAAP. Under previous UK GAAP operating lease incentives, including rent free periods and fit-out contributions, were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent. FRS 102 requires that such incentives to be spread over the lease period.
- (ii) The Group and Company has elected not to apply Section 19 Business Combinations and Goodwill to business combinations that were effected before the date of transition to FRS 102. No adjustment has been made to the carrying value of goodwill and intangible assets subsumed within goodwill have not been separately recognised.

Reconciliations

In accordance with the requirements of FRS 102 a reconciliation of profit and opening balances is provided as below:

Reconciliation of profit for the year

	Notes	Group 2015 £'000	Company 2015 £'000
(Loss)/profit on ordinary activities after taxation as previously reported under UK GAAP		(9,909)	20,051
- Defined benefit scheme	(i)	(100)	-
- Corporation tax	(ii)	21	-
(Loss)/profit for the period reported under FRS 102		<u>(9,988)</u>	<u>20,051</u>

Reconciliation of other comprehensive income for the year

		Group 2015 £'000	Company 2015 £'000
Other comprehensive expense for the period previously reported under UK GAAP		(1,063)	-
- Defined benefit scheme	(i)	1,700	-
- Deferred taxation	(iii)	(320)	-
Other comprehensive income for the period reported under FRS 102		<u>317</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS For the period ended 25 March 2016

26. TRANSITION TO FRS 102 (continued)

Reconciliation of equity

		27 March 2015	28 March 2014	27 March 2015	28 March 2014
	Note	Group £'000	Group £'000	Company £'000	Company £'000
Total equity previously reported under UK GAAP		1,331	10,840	150,573	130,522
- Defined benefit scheme	(i)	1,600	-	-	-
- Corporation tax	(ii)	21	-	-	-
- Deferred taxation	(iii)	(320)	-	-	-
Total equity reported under FRS 102		2,632	10,840	150,573	130,522

Notes to the reconciliations

The Group and Company have taken the following transition exemptions in preparing its first financial statements under FRS 102.

(i) Defined benefit scheme

Under previous UK GAAP the Group recognised an expected return on defined benefit plan assets in the statement of comprehensive income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the statement of comprehensive income, this has resulted in a £100,000 decrease in the interest income of the scheme. Also under previous UK GAAP an asset is recognised to the extent that an employer can recover a surplus in a defined benefit scheme through reduced contributions and refunds. Under FRS 102 no such asset restriction applies, so the post employment asset has increased by £1,600,000.

(ii) Corporation tax

As a result of the change in net interest expense from the defined benefit scheme discussed above, the respective corporation tax charge for the period has been reduced at the 21% corporation tax rate applicable in 2015.

(iii) Deferred taxation

As a result of the increase in the post-employment benefit asset discussed above, there is a respective increase in the deferred tax liability at 27 March 2015 of £320,000 at a rate of 20%.

Other adjustments arising on transition to FRS 102

In addition to the transition adjustments identified above which affect profit for the financial year, the following adjustments have arisen which have had no effect on net assets or the statement of comprehensive income but which have affected the presentation of these items in the financial statements.

(a) Statement of cash flows

The statement of cash flows reflects the presentation requirements of FRS 102, which are different to that prepared under FRS 1. In addition the statement of cash flows reconciles to cash and cash equivalents whereas under previous UK GAAP the statement of cash flows reconciled to cash. Cash and cash equivalents are defined in FRS 102 as 'cash on hand and demand deposits and short term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value' whereas cash is defined in FRS 1 as 'cash in hand and deposits repayable on demand with any qualifying institution, less overdrafts from any qualifying institution repayable on demand'. The FRS 1 definition is more restrictive.

(b) Recognition of movements in fair value of investment properties in the income and expenditure account

Under old UK GAAP the Group recognised movements in the fair value of investment properties in the statement of total recognised gains and losses, unless a deficit was expected to be permanent. FRS 102 requires movements in the fair value of investment properties to be recognised in the statement of comprehensive income. Accordingly, at the transition date, the revaluation reserve deficit of £1,014,000 was transferred to retained earnings.

(c) Disclosure of post-employment benefit and respective deferred tax liability

Under FRS 102 the deferred tax liability arising on the post-employment benefit asset, is now included within deferred tax on the balance sheet. Under the previous UK GAAP, and applying FRS 17 and 19, the deferred tax liability arising on the post employment asset was offset against the asset.