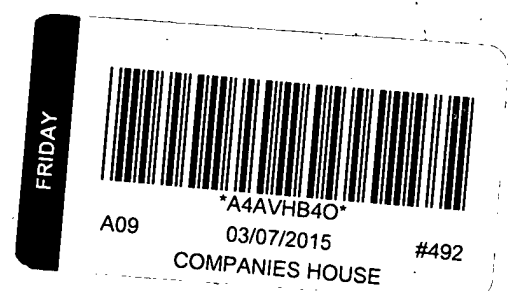


Company number 6133791

MEIF II CP Holdings 1 Limited

Report and financial statements

For the 52 week period ended 27 March 2015



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MEIF II CP Holdings 1 Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

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 EC4V 4DE

National Westminster Bank plc

1 Princes Street

London EC2R 8PA

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

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 27 March 2015.

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 Vinci. There is also additional supply in the current environment, with temporary cheap car parks on sites earmarked for development but where development plans have been deferred.

MARKET STRATEGY

The Group is pursuing a number of growth options with a view to improving turnover, growing market share and increasing profitability. These include continued involvement in partnerships with local authorities, rail operators and airports. A number of new car park contracts have been won during the period, notably in Cardiff and Salford. 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 27 March 2015 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 profit and loss account on page 11.

Like for like sales comprised over 95% of turnover for the period. Overall the business achieved like for like sales growth of 5.3%, with 4.0% growth in its off-street car parks. This was caused by a 3% increase in volumes and by targeted changes in tariff prices following ongoing extensive reviews of pricing levels. Our season ticket book also grew by 6.1% in the period.

During the period a number of cost saving initiatives have been undertaken which have reduced the operating costs of the business, both in terms of headcount and supporting supply contracts. These have been implemented whilst improving customer service levels and revenue generating capability. These have resulted in a reduction to operating costs despite contractual rent escalation clauses and the annual increase in local authority rates charges.

MEIF II CP Holdings 1 Limited

STRATEGIC REPORT (continued)

BUSINESS REVIEW (continued)

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

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 year to March 2016 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

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 2014 are as follows:

	2015 £'000	2014 £'000
Turnover	224,234	226,431
Total like for like sales growth	5.1%	5.3%
Off street like for like sales growth	4.0%	2.3%
Operating loss	(3,356)	(11,132)
Add back depreciation	10,541	10,922
Add back amortisation	10,349	10,349
Add back impairment (credit)/charge	(5,648)	187
Add back loss on disposal of non-property fixed assets	863	246
Add back non-cash charge for management incentive plan	1,463	1,463
Earnings before interest, tax, depreciation, amortisation and exceptional items (EBITDAE)	14,212	12,035
Add back book value of disposed property fixed assets	5,543	3,573
Movement in provisions charged to profit and loss account	2,439	3,014
EBITDAE including cash value of asset disposals and excluding provision movements	22,194	18,622
EBITDAE as a percentage of gross receipts	5.5%	4.7%
Other relevant KPIs		
Number of transactions ('000) (number of visits)	40,187	40,573
Cash at bank and in hand	27,242	22,851
Capital expenditure	7,761	5,435
Employees (average number)	1,221	1,280
Staff absence %	3.0%	3.9%

MEIF II CP Holdings 1 Limited**STRATEGIC REPORT (continued)****KEY PERFORMANCE INDICATORS (continued)**

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

The increase in EBITDAE is due to the increased turnover partly offset by contractual rent escalation clauses. The reduced operating loss is due to the same factors plus the reversal of a prior year impairment charge.

The small decrease in the number of visits in the year was due to the closure of a number of sites, including several loss-making sites, offsetting the 3.1% volume growth on a like for like basis.

The consolidated balance sheet on page 13 of the financial statements shows that the Group's financial position as at 27 March 2015 was net assets of £1.3 million (28 March 2014: assets of £10.8 million).

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 116 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.

MEIF II CP Holdings 1 Limited

STRATEGIC REPORT (continued)

FINANCIAL RISK MANAGEMENT (continued)

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.

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 17. 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
25 June 2015

MEIF II CP Holdings 1 Limited

DIRECTORS' REPORT

The directors present their report and the audited consolidated financial statements for MEIF II CP Holdings 1 Limited (the "Company") and its subsidiaries, (together the "Group") for the period ended 27 March 2015.

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 (2014: £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:

G I W Parsons
J L Cooper
J P Scott
A Bell
W D G Price

Gordon Parsons and William Price are employees of Macquarie Capital Group Limited, London Branch, an affiliate of the manager of Macquarie European Infrastructure Fund II, the ultimate parent of the Group.

EMPLOYEES

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

The Group and its staff apply the following values:

D Deliver what we say

R Respect for everyone

I Integrity in everything we do

V Views are valued

E Energy and passion at all times

The strategy of the Group is communicated to all team members when they join the Group and complete the induction course. An ongoing communication process takes place by further updates on a weekly and monthly basis, 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 on:

Information on:

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

Information and consultation on:

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

Information and consultation with a view to reaching agreement on:

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

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.

MEIF II CP Holdings 1 Limited**DIRECTORS' REPORT (continued)****EMPLOYEES (continued)**

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

The Group undertakes an annual engagement survey across all employees run by Best Companies. The return rate increased from 85% and 90% and results showed a continued improvement, placing the Group in the "ones to watch" category.

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 (2014: £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.

All of the Group's electricity is backed by renewable source levy exemption certificates. Reductions in consumption were initially achieved from using new state of the art electricity meters, intelligent lighting controls with wireless movement detectors and modern car park ventilation with variable speed drives controlled by levels of carbon monoxide. A further major investment in energy efficient lighting was completed in July 2014 which is resulting in a significant reduction in our consumption and which won NCP the Sustainable Parking Award from the British Parking Association in March 2015.

The Group has recently started a project in conjunction with the charity Disabled Motoring UK to achieve the standard required for their Disabled Parking Award, with the aim of achieving the award for a significant number of its car parks in the next year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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, disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MEIF II CP Holdings 1 Limited

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO AUDITORS

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

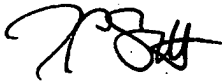
- (1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (2) the directors have taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish 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.

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



J P Scott
Director
25 June 2015

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 27 March 2015 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

MEIF II CP Holdings 1 Limited's financial statements comprise:

- the Consolidated and Company balance sheets as at 27 March 2015;
- the Consolidated profit and loss account and Consolidated statement of total recognised gains and losses for the period then ended;
- the Consolidated cash flow statement for the period then ended;
- the Consolidated reconciliation of movements in shareholders' funds 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 applicable law and United Kingdom Accounting Standards (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 Parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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 Report and financial statements 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
25 June 2015

MEIF II CP Holdings 1 Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT
For the period ended 27 March 2015

	Note	2015 £'000	2014 £'000
Gross receipts, including site owners' share	2	256,930	253,756
Less site owners' share of gross receipts	2	(32,696)	(27,325)
Turnover	2	224,234	226,431
Cost of sales		(207,703)	(213,508)
Gross profit		16,531	12,923
Administrative expenses		(30,518)	(29,078)
Reversal of fixed asset impairment	3	5,694	-
Other operating income	6	4,937	5,023
Operating loss		(3,356)	(11,132)
Interest receivable and similar income	7	383	400
Interest payable and similar charges	8	(6,795)	(5,912)
Loss on ordinary activities before taxation	3	(9,768)	(16,644)
Tax on loss on ordinary activities	9	(141)	(189)
Loss on ordinary activities after taxation		(9,909)	(16,833)
Minority interest	21	(351)	(59)
Loss for the financial period	20	(10,260)	(16,892)

The notes on pages 16 to 42 form an integral part of these financial statements.

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

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

MEIF II CP Holdings 1 Limited

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the period ended 27 March 2015

	Note	2015 £'000	2014 £'000
Loss for the financial period		(10,260)	(16,892)
Fixed asset impairment	12	-	(1,014)
Net actuarial loss relating to the pension scheme	25	(1,100)	(200)
Deferred taxation on actuarial loss	18	37	(39)
Total recognised losses relating to the period		<u>(11,323)</u>	<u>(18,145)</u>

CONSOLIDATED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
For the period ended 27 March 2015

	Note	2015 £'000	2014 £'000
Loss for the financial period		(10,260)	(16,892)
Fixed asset impairment	12	-	(1,014)
Charge in relation to management incentive plan	5	1,463	1,463
Other recognised gains and losses relating to the period	20	(1,063)	(239)
Net decrease in shareholders' funds		<u>(9,860)</u>	<u>(16,682)</u>
Opening shareholders' funds		<u>10,584</u>	<u>27,266</u>
Closing shareholders' funds		<u>724</u>	<u>10,584</u>

MEIF II CP Holdings 1 Limited

CONSOLIDATED BALANCE SHEET
As at 27 March 2015

	Note	2015 £'000	2014 £'000
FIXED ASSETS			
Intangible assets	11	124,267	134,616
Tangible assets	12	61,045	64,583
		<u>185,312</u>	<u>199,199</u>
CURRENT ASSETS			
Debtors	14	43,204	42,801
Cash at bank and in hand		27,242	22,851
		<u>70,446</u>	<u>65,652</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	(69,281)	(62,226)
NET CURRENT ASSETS		<u>1,165</u>	<u>3,426</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>186,477</u>	<u>202,625</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	16	(144,604)	(149,555)
PROVISIONS FOR LIABILITIES	18	(41,982)	(43,573)
NET (LIABILITIES)/ASSETS EXCLUDING PENSION ASSET		<u>(109)</u>	<u>9,497</u>
Net pension scheme asset	25	1,440	1,343
NET ASSETS INCLUDING PENSION ASSET		<u>1,331</u>	<u>10,840</u>
CAPITAL AND RESERVES			
Called up share capital	19	10	10
Share premium account	20	300,753	300,753
Revaluation reserve	20	(1,014)	(1,014)
Profit and loss account	20	(299,025)	(289,165)
TOTAL SHAREHOLDERS' FUNDS		<u>724</u>	<u>10,584</u>
Minority interest	21	607	256
CAPITAL EMPLOYED		<u>1,331</u>	<u>10,840</u>

The notes on pages 16 to 42 form an integral part of these financial statements

These financial statements on pages 11 to 42 were approved by the board of directors on 25 June 2015 and signed on its behalf by:



J P Scott
Director

MEIF II CP Holdings 1 Limited

COMPANY BALANCE SHEET
As at 27 March 2015

	Note	2015 £'000	2014 £'000
FIXED ASSETS			
Investments	13	58,824	58,824
CURRENT ASSETS			
Debtors	14	91,749	71,698
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>150,573</u>	<u>130,522</u>
CAPITAL AND RESERVES			
Called up share capital	19	10	10
Share premium account	20	300,753	300,753
Profit and loss account	20	(150,190)	(170,241)
TOTAL SHAREHOLDERS' FUNDS		<u>150,573</u>	<u>130,522</u>

The notes on pages 16 to 42 form an integral part of these financial statements.

These financial statements on pages 11 to 42 were approved by the board of directors on 25 June 2015 and signed on its behalf by:



J P Scott

Director

MEIF II CP Holdings 1 Limited

CONSOLIDATED CASH FLOW STATEMENT
For the period ended 27 March 2015

	Note	2015 £'000	2014 £'000
Net cash inflow from operating activities	22	16,465	6,148
Returns on investments and servicing of finance			
Interest received		183	200
Interest and other financing costs paid		(4,555)	(3,629)
Interest element of finance lease payments		(141)	(170)
Dividends paid to minority interests		-	(624)
Net cash outflow from returns on investments and servicing of finance		(4,513)	(4,223)
Taxation: UK corporation tax paid		(108)	(47)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(7,761)	(5,437)
Receipts from sales of tangible fixed assets		4,847	-
Net cash outflow from capital expenditure and financial investment		(2,914)	(5,437)
Net cash inflow/(outflow) before financing		8,930	(3,559)
Financing			
Increase in borrowings	23	-	113
Capital element of finance lease payments	23	(445)	(390)
Repayments in borrowings	23	(4,094)	(315)
Net cash outflow from financing		(4,539)	(592)
Increase/(decrease) in cash and cash equivalents	23	4,391	(4,151)

The notes on pages 16 to 42 form an integral part of these financial statements.

MEIF II CP Holdings 1 Limited**NOTES TO THE FINANCIAL STATEMENTS****For the period ended 27 March 2015****1. ACCOUNTING POLICIES****Basis of accounting**

The following accounting policies have been applied consistently in both the current and preceding period in dealing with items which are considered material in relation to the Group and Company's financial statements.

These financial statements are prepared on the going concern basis, under the historical cost accounting convention as modified to include the revaluation of certain fixed assets further described below and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 27 March 2015 (2014: 28 March 2014). The results of subsidiaries acquired or sold are consolidated for periods from or to the date on which control passed. All companies over which the Group is able to exercise control through having a dominant influence are consolidated as subsidiary undertakings. Dominant influence is defined as the right to give direction with respect to operating and financial policies. Acquisitions are accounted for under the acquisition method of accounting. Uniform accounting policies are applied across the group and any profits or losses on intra group transactions have been eliminated. Minority interests in the net assets of consolidated subsidiaries are identified separately from the equity and any movements in relation to the minority interest are included as movements in the period.

Turnover

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

Management and operation of car parks (off street car parking)

Where the Group does not bear the significant risks and rewards of operating a car park, turnover comprises the management fee receivable by the Group. In all other cases turnover comprises gross receipts from customers. Disclosed on the face of the profit and loss account are:

- (i) "Gross receipts, including site owners' share" which represent total receipts including the car park receipts received by the Company on behalf of principals as well as the management fee retained by the Group; and
- (ii) "Site owners' share of gross receipts" which represents the car park receipts payable to the car park site owners.

Other operating income

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

Intangible fixed assets – goodwill

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

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015

1. ACCOUNTING POLICIES (continued)

Intangible fixed assets – management agreements

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

Properties*Operating properties*

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

Investment properties

Properties which are held on a long-term basis for capital appreciation purposes and not used as operating properties are regarded as investment properties. In accordance with Statement of Standard Accounting Practice 19 these are stated in the financial statements at directors' valuation, which is carried out by an internal 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 the statement of total recognised gains and losses (being a movement on an investment revaluation reserve), 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 profit and loss account of the period.

Tangible fixed assets and depreciation

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

Profit or loss on sale of properties

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

Properties

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

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

No depreciation is provided on freehold land.

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

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

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation (continued)

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 12 to the financial statements.

Maintenance and repairs of owned properties

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

Maintenance and repairs of leased properties

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

Fixed asset investments

Investments held as fixed asset investments are stated at cost less provision for impairment. At each period end, an assessment is carried out to determine whether there is any indication of impairment, 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 profit and loss account.

Operating leases

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

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

Finance leases

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

Deferred government grants

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

MEIF II CP Holdings 1 Limited**NOTES TO THE FINANCIAL STATEMENTS****For the period ended 27 March 2015****1. ACCOUNTING POLICIES (continued)****Pensions**

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

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

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

Management incentive plan

The estimated value of equity-settled share based management incentive plans is charged to the profit and loss account over the life of the plan, based on the fair value of the shares at the date of subscription. Where the rights to the shares are granted over different vesting periods, the charge for each tranche is spread over its own vesting period.

Taxation

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

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

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

Debt

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

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

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015.

1. ACCOUNTING POLICIES (continued)

Provisions for liabilities

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

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

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

2. SEGMENTAL INFORMATION

Classes of business	2015			2014		
	Turnover	Pre-tax profit/(loss)	Net assets	Turnover	Pre-tax profit/(loss)	Net assets
	£'000	£'000	£'000	£'000	£'000	£'000
Car parking	219,021	2,503	12,916	221,019	(5,642)	15,704
Rental income	5,227	4,517	4,247	5,412	4,757	4,247
	<u>224,248</u>	<u>7,020</u>	<u>17,163</u>	<u>226,431</u>	<u>(885)</u>	<u>19,951</u>
Group items	-	(16,787)	(15,832)	-	(15,759)	(9,111)
	<u>224,248</u>	<u>(9,767)</u>	<u>1,331</u>	<u>226,431</u>	<u>(16,644)</u>	<u>10,840</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) "Rental income" net assets are the investment properties disclosed in note 12.
- c) "Group items" pre-tax loss comprises goodwill amortisation, net interest expense and other financing costs paid. "Group items" net assets principally comprise cash, goodwill and bank loans.
- d) Part of the Group's turnover is derived from the management of car parks on behalf of their principal owners. Car parking turnover is stated after deducting car park receipts paid over to principals and, therefore, only includes the management fee retained by the Group in these cases. Disclosed on the face of the profit and loss account are:
 - (i) "Gross receipts, including site owners' share" which represents total receipts including the car park receipts received by the company on behalf of principals as well as the management fee retained by the Group; and
 - (ii) "Site owners' share of gross receipts" which represents the car park receipts payable to the car park site owners.

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2015 £'000	2014 £'000
Loss on ordinary activities before taxation is after charging:		
Auditors' remuneration		
- for the audit of the Company's financial statements	85	84
- for the audit of the subsidiaries' financial statements	177	194
- for the audit of the National Car Parks Pension Fund financial statements	9	9
- other services	-	36
Goodwill amortisation	10,349	10,349
Depreciation of owned assets	9,043	9,147
Depreciation of leased assets	1,498	1,775
Impairment charge for tangible fixed assets	46	187
Loss on disposal of fixed assets	863	246
Operating lease rentals – land and buildings	133,571	136,723
Operating lease rentals – other	1,197	1,215
	<u> </u>	<u> </u>
<i>After crediting:</i>		
Amortisation of government grants	17	17
Reversal of fixed assets impairment	5,694	-
	<u> </u>	<u> </u>

The Company's audit fee of £85,000 (2014: £84,000) has been borne by National Car Parks Limited, a subsidiary company.

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 27 March 2015, a net impairment credit of £5,648,000 (2014: charge of £187,000) has been recognised as a credit/charge to profit for changes deemed permanent.

The impairment reversal of £5,694,000 relates to a portfolio of sites. At 30 March 2012 an impairment of £9,497,000 was recognised in relation to this portfolio. There has 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

	29 March 2014 to 27 March 2015 £'000	30 March 2013 to 28 March 2014 £'000
Directors' salary, fees and benefits in kind	498	422
Bonus	195	200
Employers pension costs	39	33
Share-based management incentive plan (note 5b)	658	658
	<u> </u>	<u> </u>
	Number	Number
Number of directors who are members of defined contribution pension schemes	2	2
	<u> </u>	<u> </u>
Highest paid director	£'000	£'000
Salary and benefits in kind	274	213
Bonus	120	148
Employers pension contributions	24	18
Share-based management incentive plan (note 5b)	439	439
	<u> </u>	<u> </u>

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 27 March 2015
4. REMUNERATION OF DIRECTORS (continued)

Gordon Parsons and William Price 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 costs**

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

	2015 Number	2014 Number
Directors	5	5
Managerial and clerical staff	170	150
Operational staff	1,046	1,125
	<u>1,221</u>	<u>1,280</u>

The aggregate payroll costs of these persons were as follows:

	2015 £'000	2014 £'000
Wages and salaries	25,257	24,714
Social security costs	2,620	2,403
Other pension costs	595	473
Redundancy costs	267	127
Share-based management incentive plan (note 5b)	1,463	1,463
	<u>30,202</u>	<u>29,180</u>

Other pension costs represent £141,000 (2014: £157,000) in respect of the NCP defined benefit scheme (note 25) and £454,000 (2014: £316,000) in respect of defined contribution schemes.

MEIF II CP Holdings 1 Limited**NOTES TO THE FINANCIAL STATEMENTS****For the period ended 27 March 2015****5. EMPLOYEES (continued)****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 accounts, 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 £1,463,000 (2014: £1,463,000) has been recognised in the period.

6. OTHER OPERATING INCOME

	2015	2014
	£'000	£'000
Compensation income	4,920	5,006
Amortisation of government grant	17	17
	<u>4,937</u>	<u>5,023</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 £803,000 (2014: £nil).

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 27 March 2015
7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015 £'000	2014 £'000
Bank interest receivable	183	200
Other finance income (note 25(c))	200	200
	<u>383</u>	<u>400</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £'000	2014 £'000
On bank overdrafts and other borrowings:		
Commercial mortgage facility: interest payable	136	264
Commercial mortgage facility: break fee	431	12
Bank loans	3,943	3,208
Finance leases	243	283
Other	25	4
	<u>4,778</u>	<u>3,771</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 18)	1,455	1,564
On creditors due after more than one year	96	111
	<u>1,551</u>	<u>1,675</u>
	<u>6,795</u>	<u>5,912</u>
Total interest payable		

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.

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015

9. TAX ON LOSS ON ORDINARY ACTIVITIES

a) Analysis of tax on loss on ordinary activities

	2015 £'000	2014 £'000
Current tax:		
United Kingdom corporation tax on loss of the period	(191)	(149)
Prior period adjustment	18	34
	<u>(173)</u>	<u>(115)</u>
Deferred tax:		
Origination and reversal of timing differences	32	(74)
	<u>32</u>	<u>(74)</u>
Total deferred tax (note 18)	<u>32</u>	<u>(74)</u>
Tax charge on loss on ordinary activities	<u>(141)</u>	<u>(189)</u>

b) Factors affecting tax charge for the current period

The tax assessed for the period is different from that resulting from applying the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	2015 £'000	2014 £'000
Loss on ordinary activities before taxation	<u>(9,768)</u>	<u>(16,642)</u>
Tax credit at 21% (2014: 23%) thereon:	2,051	3,828
Effects of:		
Expenses not deductible for tax purposes	(2,693)	(2,689)
Depreciation on non-qualifying assets	(226)	(248)
Capital allowances in excess of depreciation	(1,439)	(1,284)
Non taxable income	4	4
Chargeable gain	93	67
Impairment	1,186	(43)
Prior period adjustment	18	34
Losses not recognised as a deferred tax asset	833	216
	<u>(173)</u>	<u>(115)</u>
Current tax charge for the period	<u>(173)</u>	<u>(115)</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 £94,987,000 (2014: £107,439,000). The unrecognised deferred tax asset would be recovered should the Group have future profits to offset against this amount.

c) Factors that may affect the future tax charge

Deferred tax has not been provided on revaluations of fixed assets, nor on the gains realised that have been rolled over into the acquisition cost of replacement assets. It is not currently envisaged that any tax will become payable in relation to the gains in these assets. Capital gains rolled over but not provided amount to £22,000 (2014: £20,000).

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015

10. PROFIT ATTRIBUTABLE TO THE COMPANY

The profit for the financial period ended 27 March 2015 dealt with in the financial statements of the parent company was £20,051,000 (2014: £35,752,000). As permitted by section 408 of the Companies Act 2006, no separate profit and loss account is presented in respect of the parent company.

11. INTANGIBLE ASSETS

GROUP	Goodwill £'000	Management agreements £'000	Total £'000
Cost			
At 29 March 2014 and 27 March 2015	710,487	5,306	715,793
Accumulated amortisation			
At 29 March 2014	575,871	5,306	581,177
Charge for the period	10,349	-	10,349
At 27 March 2015	586,220	5,306	591,526
Net book value			
At 27 March 2015	124,267	-	124,267
At 28 March 2014	134,616	-	134,616

Management agreements

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

Company

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

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015

12. TANGIBLE FIXED ASSETS

Group	Freehold land and property £'000	Long- leasehold property £'000	Short- leasehold property £'000	Fixtures, fittings, plant and machinery £'000	Total £'000
Cost and valuation					
At 29 March 2014	18,583	8,875	37,617	116,354	181,429
Additions	-	-	672	7,089	7,761
Disposals	(4,740)	(2,471)	-	(6,869)	(14,080)
At 27 March 2015	13,843	6,404	38,289	116,574	175,110
Accumulated depreciation					
At 29 March 2014	6,920	4,118	24,148	81,660	116,846
Impairment write back	-	-	(5,648)	-	(5,648)
Charge for the period	-	70	1,255	9,216	10,541
Disposals	-	(1,668)	-	(6,006)	(7,674)
At 27 March 2015	6,920	2,520	19,755	84,870	114,065
Net book value					
At 27 March 2015	6,923	3,884	18,534	31,704	61,045
At 28 March 2014	11,663	4,757	13,469	34,694	64,583

The net book value of land and buildings comprises:

	Operating properties £'000	Investment properties £'000	Total £'000
Freehold	2,676	4,247	6,923
Long leasehold	3,884	-	3,884
Short leasehold	18,133	401	18,534
	24,693	4,648	29,341

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. A charge of £nil (2014: £1,014,000) has been recognised in the statement of recognised gains and losses for impairments deemed temporary.

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 27 March 2015, an impairment credit of £5,648,000 (2014: charge of £187,000) has been recognised as a credit/charge to profit for changes deemed permanent.

The impairment reversal relates to a portfolio of sites. At 30 March 2012 an impairment of £9,497,000 was recognised in relation to this portfolio. There has 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.

The recoverable amount for the portfolio is estimated based on value in use, calculated using the same methodology as used for the provision for onerous contracts, based on forecast results to the end of the lease, and discounted to reflect the timing of future cash flows.

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015

12. TANGIBLE FIXED ASSETS (continued)

Included in freehold land and property is land valued at £2,676,000 (2014: £7,416,000) and property valued at £4,247,000 (2014: £4,247,000) which are not depreciated.

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

	27 March 2015		28 March 2014	
	Group £'000	Company £'000	Group £'000	Company £'000
Cost	3,680	-	3,680	-
Aggregate depreciation	(3,421)	-	(3,248)	-
Net book value	259	-	432	-

Company

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

13. FIXED ASSET INVESTMENTS

	Group £'000	Company £'000
Cost		
At 29 March 2014 and 27 March 2015	-	291,819
Provision for impairment		
At 29 March 2014 and 27 March 2015	-	232,995
Net book value		
At 28 March 2014 and 27 March 2015	-	58,824

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

The Company's fixed asset investment consists of:

a) shares in MEIF II CP Holdings 2 Limited representing a 100% holding (2014: 100%), with total value £291,818,645 (2014: £291,818,645) comprising:

- 238,999,811 (2014: 238,999,811) Non-Voting Preference Shares;
- 910,001 (2014: 910,001) Investor Ordinary Shares;
- 86,450 (2014: 86,450) Employee A Ordinary Shares;
- 3,550 (2014: 3,550) Employee B Ordinary Shares; and
- 20 (2014: 20) Non-Voting Deferred Shares.

b) 1 (2014: 1) ordinary share of £1 in MEIF II CP 1A Limited representing a 100% shareholding.

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

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS For the period ended 27 March 2015

13. FIXED ASSET INVESTMENTS (continued)

Principal group investments

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

	Country of incorporation or principal business address	Principal activity	Class of share	Holding %
MEIF II CP Holdings 2 Limited +	England	Holding Company	Ordinary	100
MEIF II CP 1A Limited +	England	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

+ 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.

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015

14. DEBTORS

	27 March 2015		28 March 2014	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts due within one year				
Trade debtors	3,237	-	5,821	-
Amounts owed by group undertakings	-	91,749	-	71,698
Other debtors	3,870	-	3,146	-
Prepayments and accrued income	36,097	-	33,834	-
	<u>43,204</u>	<u>91,749</u>	<u>42,801</u>	<u>71,698</u>

Amounts owed by Group undertakings include £239,000,000 (2014: £239,000,000) which are interest bearing at a rate of 15% and repayable on a six month cumulative basis, and £287,781,000 (2014: £252,030,000) which are non-interest bearing. A provision of £15,700,000 (2014: £nil) was created in the period, increasing the provision to £435,032,000 (2014: £419,332,000) against these amounts.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	27 March 2015		28 March 2014	
	Group £'000	Company £'000	Group £'000	Company £'000
Trade creditors	5,255	-	3,422	-
Obligations under finance leases and hire purchase contracts (note 17)	501	-	445	-
Other loans (note 17)	254	-	243	-
Corporation taxation	111	-	46	-
Other taxation and social security	4,654	-	4,239	-
Other creditors	1,556	-	1,552	-
Accruals and deferred income	56,950	-	52,279	-
	<u>69,281</u>	<u>-</u>	<u>62,226</u>	<u>-</u>

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

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

	27 March 2015		28 March 2014	
	Group £'000	Company £'000	Group £'000	Company £'000
Bank loans (note 17)	139,662	-	139,550	-
Commercial mortgage facility – repayable in two to five years (note 17)	-	-	3,851	-
Obligations under finance leases and hire purchase contracts (note 17)	277	-	778	-
Other loans (note 17)	1,774	-	2,029	-
Other creditors	2,318	-	2,757	-
Government grants	573	-	590	-
	<u>144,604</u>	<u>-</u>	<u>149,555</u>	<u>-</u>

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015

17. BORROWINGS

Bank loans and commercial mortgage facility

During the period the Group had the following loan facilities:

Facility	Facility amount £million	Interest rate payable per annum	Termination Date	Maximum balance during period £ million	Balance at 27 March 2015 £ million	Balance at 28 March 2014 £ million
Royal Bank of Scotland						
("RBS") Facilities						
Commercial mortgage facility	Nil	6.7309%	April 2017, repaid 8 October 2014	3.9	-	3.9
Royal Bank of Canada						
("RBC") Facilities						
Senior facilities						
"Facility A"	140.0	LIBOR plus a margin of 2.25%	31 March 2018	139.5	139.7	139.5
Total					<u>139.7</u>	<u>143.4</u>

RBS commercial mortgage facility

For the term of the loan the interest rate was fixed at 7.0309%. The rate of interest for the loan is the percentage rate per annum which is the aggregate of the applicable:

- margin (1% per annum);
- LIBOR (RBS has on behalf of the Group swapped this rate for a fixed rate of 5.62%); and
- mandatory costs (0.1109%).

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

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

On 8 October 2014 the commercial mortgage was repaid.

RBC senior facilities

On 19 March 2007, a new senior facility totalling £500 million was taken out. £425 million of these facilities (representing "Facility A") were drawn down by MEIF II CP Holdings 3 Limited, a 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 profit and loss account over the terms of the new loan facilities at a constant rate on the carrying amount. The RBC senior facilities are stated net of these unamortised issue costs of £0.5 million.

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

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015

17. BORROWINGS (continued)

Maturity of debt

	27 March 2015		28 March 2014	
	Group £'000	Company £'000	Group £'000	Company £'000
In more than two years, but not more than five years	140,000	-	143,851	-

Obligations under finance leases and hire purchase contracts

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

	27 March 2015		28 March 2014	
	Group £'000	Company £'000	Group £'000	Company £'000
Within one year	501	-	445	-
In more than one year, but not more than two years	277	-	501	-
In more than two years, but not more than five years	-	-	277	-
Amounts due	778	-	1,223	-

Other loans

Amounts due under other loans are as follows:

	27 March 2015		28 March 2014	
	Group £'000	Company £'000	Group £'000	Company £'000
Within one year	254	-	243	-
In more than one year, but not more than five years	1,148	-	1,094	-
In more than five years	626	-	934	-
Amounts due	2,028	-	2,271	-

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

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 27 March 2015
18. PROVISIONS FOR LIABILITIES

Group	Provisions for dilapidations £'000	Provisions for onerous contracts £'000	Deferred taxation £'000	Total £'000
At 29 March 2014	24,270	19,232	72	43,574
Charged/(credited) to profit and loss account	2,500	(61)	(72)	2,367
Notional interest	609	846	-	1,455
Utilised during the period	(1,725)	(3,689)	-	(5,414)
At 27 March 2015	<u>25,654</u>	<u>16,328</u>	<u>-</u>	<u>41,982</u>

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

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

Movement on deferred tax provision in the period

Group	2015 £'000	2014 £'000
At start of period	72	40
(Credited)/charged to profit and loss account	(72)	32
At end of period	<u>-</u>	<u>72</u>

Analysis of deferred tax provision

Group	2015 £'000	2014 £'000
Capital allowances in excess of depreciation	<u>-</u>	<u>72</u>

Deferred tax liability relating to pension scheme asset

Group	2015 £'000	2014 £'000
At start of period	357	276
Deferred tax charge in profit and loss account	40	42
Deferred tax (credited)/debited to the statement of total recognised gains and losses on actuarial loss	(37)	39
At end of period	<u>360</u>	<u>357</u>

The deferred tax liability of £360,000 (2014: £357,000) has been deducted in arriving at the net pension scheme asset.

Company

The Company had no provisions in either period.

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015

19. CALLED UP SHARE CAPITAL

	Group and Company 27 March 2015 £'000	Group and Company 28 March 2014 £'000
Allotted and fully paid:		
85,000 (2014: 85,000) A ordinary shares of £0.10 each	9	9
15,000 (2014: 15,000) B ordinary shares of £0.001 each	-	-
10,000 (2014: 10,000) C ordinary shares of £0.15 each	1	1
85,000 (2014: 85,000) D1 preference shares of £0.001 each	-	-
15,000 (2014: 15,000) D2 preference shares of £0.001 each	-	-
	<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.

The preference shareholders are entitled to a payment from moneys potentially receivable from a tax claim being submitted. They have no other right to participate in the profits or assets of the Company.

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 27 March 2015
20. RESERVES

	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000
Group			
At 29 March 2014	300,753	(1,014)	(289,165)
Loss for the financial period	-	-	(10,260)
Charge in relation to management incentive plan (note 5b)	-	-	1,463
Actuarial loss on pension scheme	-	-	(1,100)
Deferred taxation credit on pension scheme	-	-	37
	<u>300,753</u>	<u>(1,014)</u>	<u>(299,025)</u>
At 27 March 2015	300,753	(1,014)	(299,025)
Company			
At 29 March 2014	300,753	-	(170,241)
Profit for the financial period	-	-	20,051
	<u>300,753</u>	<u>-</u>	<u>(150,190)</u>
At 27 March 2015	300,753	-	(150,190)

21. MINORITY INTEREST

	£'000
At 29 March 2014	256
Profit for the financial period	351
	<u>607</u>
At 27 March 2015	607

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

22. RECONCILIATION OF OPERATING LOSS TO OPERATING CASH FLOWS

	2015 £'000	2014 £'000
Operating loss	(3,356)	(11,132)
Charge in relation to management incentive plan	1,463	1,463
Depreciation, impairment and amortisation	15,241	21,458
Loss on disposal	863	246
Increase in debtors	(1,061)	(4,378)
Increase in creditors	6,290	2,785
Decrease in provisions	(2,975)	(4,294)
	<u>16,465</u>	<u>6,148</u>
Net cash inflow from operating activities	16,465	6,148

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015

23. ANALYSIS AND RECONCILIATION OF NET DEBT

	29 March 2014 £'000	Cash flow £'000	Non-cash changes £'000	27 March 2015 £'000
Cash at bank and in hand	22,851	4,391	-	27,242
Debt due after one year:				
Bank loans	(139,550)	-	(112)	(139,662)
Commercial mortgage	(3,851)	3,851	-	-
Other loans due after one year	(2,028)	254	-	(1,774)
Debt due within one year:				
Other loans due within one year	(243)	(11)	-	(254)
Finance leases due after one year	(778)	501	-	(277)
Finance leases due within one year	(445)	(56)	-	(501)
	(146,895)	4,539	(112)	(142,468)
Net debt	(124,044)	8,930	(112)	(115,226)

The other non-cash changes comprise the amortisation of debt issue costs.

	2015 £'000	2014 £'000
Increase/(decrease) in cash in the period	4,391	(4,151)
Cash outflow from decrease in debt financing	4,539	592
Change in net debt resulting from cash flows	8,930	(3,559)
Other non-cash changes	(112)	(112)
Movement in net debt in period	8,818	(3,671)
Net debt at start of period	(124,044)	(120,373)
Net debt at end of period	(115,226)	(124,044)

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 27 March 2015
23. ANALYSIS AND RECONCILIATION OF NET DEBT (continued)

	2015 £'000	2014 £'000
Movement in borrowings		
Other loans	-	113
Increase in borrowings	-	113
Repayment of borrowings		
Repayment of Commercial Mortgage Facility	(3,851)	(88)
Other loans	(243)	(227)
Finance leases	(445)	(390)
Cash outflow	(4,539)	(592)

24. CONTINGENT LIABILITIES

Under a Group registration the Company is jointly and severally liable for value added tax due by other Group Companies. At 27 March 2015, this contingent liability amounted to £3.4 million (2014: £3.0 million). Contingent guarantees are disclosed in note 26.

At 27 March 2015 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.

25. NATIONAL CAR PARKS PENSION FUND

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

The results of the formal actuarial valuation as at 5 April 2012 were updated to the accounting date by an independent qualified actuary in accordance with FRS17 'Retirement 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.

The expected rate of return on assets for the financial period ending 27 March 2015 was 3.8% pa (2014: 5.0% pa). This rate is derived by taking the weighted average of the long term expected rates of return on each of the asset classes that the plan was invested in at 27 March 2015.

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 2015. The estimated amount of total employer contributions expected to be paid to the plan during 2015/16 is £1.1 million (2014/15 actual: £1.1 million).

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015

25. NATIONAL CAR PARKS PENSION FUND (continued)

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

a) Assumptions	27 March 2015	28 March 2014	29 March 2013
Retail Prices Index inflation	3.0% pa	3.3% pa	3.4% pa
Consumer Prices Index inflation	2.0% pa	2.3% pa	2.4% pa
Discount rate	3.2% pa	4.3% pa	4.3% pa
Pension increases in payment	2.9% pa	3.2% pa	3.3% pa
Salary increases			
Category A	3.0% pa	3.3% pa	3.4% pa
Category B	3.0% pa	3.3% pa	3.4% pa
Expected return on assets			
Equity instruments and diversified growth fund	6.0% pa	7.3% pa	6.8% pa
Debt instruments	2.4% pa	3.7% pa	3.3% pa
Life expectancy of male aged 65 in 2015	22.9 years	22.8 years	22.7 years
Life expectancy of female aged 65 in 2015	25.4 years	25.3 years	25.2 years
Life expectancy of male aged 65 in 2035	24.7 years	24.6 years	24.5 years
Life expectancy of female aged 65 in 2035	27.4 years	27.3 years	27.2 years

b) Scheme assets

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

	27 March 2015 £'000	28 March 2014 £'000	29 March 2013 £'000
Present value of defined benefit obligations	(45,500)	(40,500)	(41,800)
Fair value of plan assets	48,900	42,200	43,000
Gross pension asset	3,400	1,700	1,200
Amount not recognised to reflect the asset limit	(1,600)	-	-
Gross pension asset recognised on balance sheet	1,800	1,700	1,200
Related deferred tax liability	(360)	(357)	(276)
Net pension asset	1,440	1,343	924

Financial Reporting Standard 17 'Retirement benefits' only allows a surplus to be recognised as an asset to the extent that the Company is able to recover the surplus either through reduced future contributions or through refunds from the scheme. The maximum balance sheet asset at March 2015 has been calculated as £1.8 million (2014: £1.7 million) and accordingly the amount recognised has been restricted at March 2015.

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

	27 March 2015 £'000	28 March 2014 £'000
Administrative expenses:		
Employer's part of current service cost	(100)	(100)
Other finance income:		
Interest cost	(1,700)	(1,800)
Expected return on plan assets	1,900	2,000
Total income included in profit and loss account	100	100

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 27 March 2015
25. NATIONAL CAR PARKS PENSION FUND (continued)

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

	27 March 2015	28 March 2014	29 March 2013
Equity instruments and diversified growth fund	41%	42%	42%
Debt instruments	58%	57%	56%
Other	1%	1%	2%
	<u>100%</u>	<u>100%</u>	<u>100%</u>

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

	27 March 2015 £'000	28 March 2014 £'000
Opening defined benefit obligation	40,500	41,800
Employer's part of current service cost	100	100
Interest cost	1,700	1,800
Actuarial loss/(gain)	5,100	(800)
Benefits paid	(1,900)	(2,400)
Closing defined benefit obligation	<u>45,500</u>	<u>40,500</u>

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

	27 March 2015 £'000	28 March 2014 £'000
Opening fair value of the plan assets	42,200	43,000
Expected return on plan assets	1,900	2,000
Actuarial gain/(loss)	5,600	(1,100)
Contributions by the employer	1,100	700
Benefits paid	(1,900)	(2,400)
Closing fair value of plan assets	<u>48,900</u>	<u>42,200</u>

The actual return on the plan's assets over the period to 27 March 2015 was a gain of £7.5 million (2014: gain of £0.9 million).

The amount recognised outside profit and loss in the statement of total recognised gains and losses (STRGL) for the period to 27 March 2015 is a loss of £1.1 million (2014: loss of £0.2 million).

The cumulative amount recognised from 31 March 2007 to 27 March 2015 included in the STRGL is a loss of £6.5 million.

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 27 March 2015
25. NATIONAL CAR PARKS PENSION FUND (continued)**g) Amounts to be shown for the current and previous four periods**

	27 March 2015 £'000	28 March 2014 £'000	29 March 2013 £'000	30 March 2012 £'000	31 March 2011 £'000
Present value of defined benefit obligation	45,500	40,500	41,800	37,800	34,600
Fair value of plan assets	(48,900)	(42,200)	(43,000)	(40,100)	(39,000)
Surplus	<u>(3,400)</u>	<u>(1,700)</u>	<u>(1,200)</u>	<u>(2,300)</u>	<u>(4,400)</u>
Experience adjustments on plan assets					
Amount of loss/(gain)	(5,600)	1,100	(2,500)	(700)	300
Percentage of plan assets	11%	3%	6%	2%	1%
Experience adjustments on plan liabilities					
Amount of loss/(gain)	(500)	(100)	400	-	-
Percentage of plan liabilities	1%	-	1%	-	-

26. FINANCIAL COMMITMENTS

Capital commitments are as follows:

	Group 27 March 2015 £'000	Company 27 March 2015 £'000	Group 28 March 2014 £'000	Company 28 March 2014 £'000
Contracted for but not provided for:				
Other	<u>407</u>	<u>-</u>	<u>773</u>	<u>-</u>

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

	27 March 2015		28 March 2014	
Group	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiry date:				
Within one year	752	157	2,658	55
In more than one year, but not more than five years	18,366	506	6,862	596
After five years	69,656	-	70,865	-
Amounts due	<u>88,774</u>	<u>663</u>	<u>80,385</u>	<u>651</u>

The Group is also obliged to make additional performance-related rental payments on a number of sites. In the period ended 27 March 2015 these additional payments amounted to £50.4 million (2014: £52.0 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.

MEIF II CP Holdings 1 Limited**NOTES TO THE FINANCIAL STATEMENTS****For the period ended 27 March 2015****26. FINANCIAL COMMITMENTS (continued)****Financial guarantees**

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

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

Facilities agreement and related debenture and cross guarantees

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

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

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

On 8 October 2014 the commercial mortgage was repaid, and the debenture and fee debenture were cancelled.

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.

MEIF II CP Holdings 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 27 March 2015

27. 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.

28. 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 parent undertaking of the largest group which includes the Company and for which group financial statements are prepared is Macquarie European Infrastructure Fund II.

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

The smallest group into which the financial statements of the Company for the period ended 27 March 2015 are consolidated are the Company's consolidated financial statements embodied herein.