

MEIF II CP SPV 1 Limited

Annual report and financial statements

For the period ended 30 September 2018



MEIF II CP SPV 1 Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

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MEIF II CP SPV 1 Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H Matsui
J P Scott

REGISTERED OFFICE

Saffron Court
14b St Cross Street
London
EC1N 8XA

INDEPENDENT AUDITORS

Ernst & Young LLP
1 More London Place
London SE1 2AF

DIRECTORS' REPORT

The directors present their report and the audited financial statements for MEIF II CP SPV 1 Limited ("the Company") for the 18 months ended 30 September 2018.

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

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the Company is that of a financing company.

DIVIDENDS

The directors do not recommend the payment of a dividend for the financial period (2017: £nil).

DIRECTORS

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

H Matsui (appointed 15 October 2018)
J L Cooper (appointed 3 August 2017 and resigned 24 October 2018)
J P Scott (appointed 3 August 2017)
G I W Parsons (resigned 3 August 2017)
W D G Price (resigned 3 August 2017)
P Hogan (resigned 3 August 2017)

FUTURE DEVELOPMENTS IN THE BUSINESS

The directors anticipate that the activity of the Company will continue for the foreseeable future.

STRATEGIC REPORT

The Company has taken the exemption under section 414B of the Companies Act 2006 from the requirement to prepare a strategic report for the financial period.

GOING CONCERN

Park24 Co., Ltd., the Company's ultimate parent undertaking and controlling party has confirmed that it will continue to provide financial support to the company to allow it to continue in business for the foreseeable future.

As a result of the above, the directors have concluded that the company is able to meet its liabilities as they fall due and will remain in existence for the foreseeable future. Consequently, the financial statements have been prepared on the going concern basis.

EVENTS SINCE THE BALANCE SHEET DATE

There have been no significant events after the balance sheet date.

DIRECTORS' INDEMNITIES

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

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

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



J P Scott

Director

12 Sept 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEIF II CP SPV 1 LIMITED

Opinion

We have audited the financial statements of MEIF II CP SPV 1 Limited for the period ended 30 September 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 September 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

MEIF II CP SPV 1 Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEIF II CP SPV 1 LIMITED (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Peter Campbell (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

18 September 2019

MEIF II CP SPV 1 Limited

STATEMENT OF COMPREHENSIVE INCOME For the period ended 30 September 2018

		1 April 2017 to 30 September 2018	26 March 2016 to 31 March 2017
	Note	£'000	£'000
RESULT BEFORE TAXATION		-	-
Tax	5	1,021	1,237
PROFIT FOR THE FINANCIAL PERIOD		1,021	1,237
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		1,021	1,237

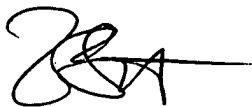
All amounts relate to continuing operations.

MEIF II CP SPV 1 Limited**BALANCE SHEET
As at 30 September 2018**

Company number 8008656

	Note	30 September 2018 £'000	Restated 31 March 2017 £'000
CURRENT ASSETS			
Debtors	6	—	—
NET CURRENT ASSETS		—	—
TOTAL ASSETS LESS CURRENT LIABILITIES		—	—
PROVISIONS FOR LIABILITIES	7	(3,050)	(4,071)
NET LIABILITIES		<u>(3,050)</u>	<u>(4,071)</u>
CAPITAL AND RESERVES			
Called up share capital	8	16	16
Share premium account		156,852	156,852
Profit and loss account		<u>(159,918)</u>	<u>(160,939)</u>
TOTAL SHAREHOLDER'S DEFICIT		<u>(3,050)</u>	<u>(4,071)</u>

The financial statements were approved by the board of directors on the 18th September 2019 and signed on its behalf by:



J P Scott
Director

MEIF II CP SPV 1 Limited

STATEMENT OF CHANGES IN EQUITY For the period ended 30 September 2018

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total shareholder's funds / (deficit) £'000
At 25 March 2016 (as previously stated)	16	156,852	9,543	166,411
Adjustment on correction of error (note 10)	—	—	(171,719)	(171,719)
At 25 March 2016 (restated)	16	156,852	(162,176)	(5,308)
Profit for the financial period	—	—	1,237	1,237
Other comprehensive income	—	—	—	—
At 31 March 2017 (restated)	16	156,852	(160,939)	(4,071)
Profit for the financial period	—	—	1,021	1,021
Other comprehensive income	—	—	—	—
At 30 September 2018	16	156,852	(159,918)	(3,050)

MEIF II CP SPV 1 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2018

1. ACCOUNTING POLICIES

General information

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

Basis of preparation and statement of compliance with FRS 102

The Company's financial statements have been prepared in compliance with Financial Reporting Standard 102 (FRS 102), under the historical cost convention and in accordance with the Companies Act 2006.

The presentation and functional currency of the Company is Pounds Sterling because that is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest thousand pounds (£'000), except where otherwise indicated.

Under the provision of FRS 102, the Company meets the definition of a qualifying entity and has adopted the section 1.12 disclosure exemptions not to:

- provide a reconciliation of the number of shares outstanding at the beginning and at the end of the period;
- prepare a statement of cash flows;
- provide certain financial instrument disclosures, on the basis that equivalent disclosures are included in the consolidated financial statements of its ultimate parent company; and
- disclose key management personnel compensation.

The Company has adopted the exemption in Section 33.1A of FRS 102 not to disclose related party transactions between members of a group provided any subsidiary party to the transactions is wholly owned by such a member.

The principal accounting policies adopted by the Company in preparing the financial statements are set out below.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no significant judgments and estimates affecting the amounts recognised in the financial statements.

Going concern

Park24 Co., Ltd., the Company's ultimate parent undertaking and controlling party has confirmed that it will continue to provide financial support to the company to allow it to continue in business for the foreseeable future. As a result of the above, the directors have concluded that the company is able to meet its liabilities as they fall due and will remain in existence for the foreseeable future. Consequently, the financial statements have been prepared on the going concern basis.

Debtors

Debtors with no stated interest rate and which are receivable within one year are recorded at transaction price. Any losses from impairment are recognised in the statement of comprehensive income within administrative expenses.

Share capital

Shares issued by the Company are recorded as the proceeds received from the issue of shares, net of direct issue costs.

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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 30 September 2018

2. AUDITOR'S REMUNERATION

The auditor's remuneration for the audit of the Company's financial statements of £2,000 (2017: £2,000) was paid by National Car Parks Limited, a group undertaking.

3. STAFF COSTS

The Company has no employees and hence there were no staff costs for the period ended 30 September 2018 (2017: £nil).

4. DIRECTORS' EMOLUMENTS

The directors received £nil (2017: £nil) in respect of qualifying services provided to the Company during the period.

5. TAX

(a) Tax on result on ordinary activities

	1 April 2017 to 30 September 2018 £'000	Restated 26 March 2016 to 31 March 2017 £'000
<i>Deferred tax:</i>		
Origination and reversal of timing differences	1,141	798
Effect of change in tax rate	(120)	439
Total tax credit (note 5(b))	<u>1,021</u>	<u>1,237</u>

(b) Factors affecting the total tax credit for the period

The tax assessed for the period is lower (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	1 April 2017 to 30 September 2018 £'000	Restated 26 March 2016 to 31 March 2017 £'000
Result before taxation	<u>-</u>	<u>-</u>
Result on ordinary activities multiplied by the standard rate of UK corporation tax of 19% (2017: 20%):	-	-
Effects of:		
Group relief not paid for	1,141	798
Effect of change in tax rate	(120)	439
Total tax credit (note 5(a))	<u>1,021</u>	<u>1,237</u>

Tax incurred during the period relates to the unwinding of fair value adjustments on previously held swap contracts over 10 years.

(c) Factors that may affect future tax charges

The UK Corporation tax rate reduced from 20% to 19% from 1 April 2017. A further reduction to 17% with effect from 1 April 2020 was introduced in the Finance Act 2016. As at the balance sheet date this future reduction has been enacted and hence in accordance with accounting standards the effect has been reflected in the Company's financial statements as at 30 September 2018. The rate changes will impact the amounts of future tax payments to be made by the Company.

MEIF II CP SPV 1 Limited

NOTES TO THE FINANCIAL STATEMENTS For the period ended 30 September 2018

6. DEBTORS

	30 September 2018 £'000	Restated 31 March 2017 £'000
Amounts owed by group undertakings (note 10)	—	—

Amounts owed by group undertakings of £171,719,000 (31 March 2017: £171,719,000) are non-interest bearing and are repayable on demand. A provision of £171,719,000 (31 March 2017: £171,719,000) is held against the amount owed by group undertakings.

7. PROVISIONS FOR LIABILITIES

	Deferred taxation £'000
At 31 March 2017	4,071
Deferred tax credited to the statement of comprehensive income	(1,021)
At 30 September 2018	3,050

This relates to the taxation of fair value adjustments on previously held swap contracts over 10 years.

8. CALLED UP SHARE CAPITAL

	30 September 2018 £'000	31 March 2017 £'000
Allotted and fully paid		
100 (31 March 2017: 100) Ordinary shares of £1.00 each	—	—
158,016 (31 March 2017: 158,016) Preference shares of £0.10 each	16	16
	<u>16</u>	<u>16</u>

Preference Shares

The preference shares were issued on 27 April 2012 to MEIF II CP Holdings 3 Limited, the Company's immediate parent company, at a total value of £156,868,000. The preference shares hold no voting rights.

9. ULTIMATE PARENT AND CONTROLLING PARTY

The Company's immediate parent undertaking is MEIF II CP Holdings 3 Limited, a company incorporated and registered in England. The Company's ultimate parent undertaking and controlling party is Park24 Co., Ltd., a company incorporated in Japan and listed on the Tokyo Stock Exchange.

Park24 Co., Ltd. is the parent undertaking of both the largest and smallest group of which the Company is a member and for which consolidated financial statements are prepared. Copies of the consolidated financial statements of Park24 Co., Ltd. are available from 2-7-1, Yurakucho, Chiyoda-ku, Tokyo 100-8424, Japan.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 September 2018

10. CORRECTION OF A PRIOR PERIOD ERROR

The Company had amounts owed by group undertakings at the prior period ends as follows, 31 March 2017: £171,719,000; 25 March 2016: £171,719,000. The debtor was non-interest-bearing and repayable on demand. During the period, management has conducted a detailed review to assess whether there is objective evidence of impairment of the amounts owed by group undertaking. Management has concluded that the counterparty is in a significant net liability position and is unable to repay the amount due. As a consequence, the Company has corrected the prior period error by recognising an impairment provision of £171,719,000 at 31 March 2017 and 25 March 2016, in the financial statements as the evidence of impairment was available at those dates.

The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

	31 March 2017 £'000	25 March 2016 £'000
Debtors	(171,719)	(171,719)
Net impact on equity	(171,719)	(171,719)
	26 March 2016 to 31 March 2017 £'000	
Interest receivable and similar income	—	
Net impact on statement of comprehensive income	—	