

**Registration No: 8206634**

**CP Co 11 Limited**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 30 June 2017**

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**CP CO 11 LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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<b>CONTENTS</b>	<b>PAGES</b>
Officers and professional advisers	3
Strategic report	4
Directors' Report	6
Statement of directors' responsibilities	8
Statement of total comprehensive income for the year ended 30 June 2017	9
Statement of financial position as at 30 June 2017	10
Statement of changes in equity for the year ended 30 June 2017	11
Notes to the financial statements for the year ended 30 June 2017	12

**CP CO 11 LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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<b>Company number</b>	8206634
<b>Directors</b>	Susan Lawrence (appointed 15 December 2016) Hugh Sayer (appointed 15 December 2016) Nita Savjani (appointed 1 July 2017) David Langer (resigned 15 December 2016)
<b>Company secretary</b>	TMF Corporate Administration Services Limited
<b>Registered office</b>	400 Capability Green Luton Bedfordshire LU1 3AE United Kingdom
<b>Banker</b>	Santander UK plc 2 Triton Square, Regent's Place, London, NW1 3AN, United Kingdom  ING Luxembourg Societe Anonyme 52, rout d'Esch L-2965 Luxembourg

**CP CO 11 LIMITED  
STRATEGIC REPORT  
FOR THE YEAR ENDED 30 JUNE 2017**

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CP Co 11 Limited ("the Company") is a private company limited by shares registered in England and Wales. The Company is domiciled in England and is a wholly-owned subsidiary of CP Co Borrower Ltd, a company incorporated in England.

On 15 December 2016, CP Co Topco Limited, the Company's ultimate shareholder, sold 100% of its interests in CP Co Midco Limited ("Midco"), the indirect owner of the Company, to Chariot Lux Bidco S.à r.l. ("Bidco").

Following the sale, the intercompany obligations were restructured and the amount owing to RBS repaid in full. CP Co Borrower's obligations following the restructure consisted of an interest bearing loan of GBP 504,799,893 payable to Midco ("the Borrower Loan").

On 31 March 2017, Midco forgave GBP 10,449,910.18 of the Borrower Loan. On the same day, Midco sold all of its interest in the Company to Bidco. Bidco accepted the reduced Borrower Loan to offset against obligations of Midco, and as a result the outstanding balance of the Borrower Loan will be payable when due to Bidco, which is now the Company's sole shareholder.

As at 30 June 2017, the Company is part of the Chariot Lux Bidco S.à r.l. group ("the Group") which was established to manage a portfolio of car parks purchased on 8 November 2012.

**PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS**

The principal activity of the Company is that of property ownership and management with the aim of deriving a profit through the continued use or through an orderly sale of the investment properties.

The Company was incorporated on 7 September 2012 and commenced business on 8 November 2012.

**STRATEGY, OBJECTIVES AND FUTURE DEVELOPMENTS**

The strategies and objectives are considered at a group level.

The primary objective of the Group is to ensure the maximisation of cash inflows through the operation, management or potential disposal of investment properties and to generate any additional profits through rent collections, control of overhead costs and asset management initiatives. It is expected that the objectives of the Group will continue in this manner.

The Group's main key performance indicators (KPIs) are therefore the amount of cash it generates from operations and disposals, the increase in the value of its investment properties and the amount of debt that has been repaid.

**EVENTS AFTER THE REPORTING PERIOD**

There are no subsequent events to be disclosed.

**REVIEW OF PERFORMANCE**

CP Co 11 Limited had a net loss for the period of £1,033,571 (2016: -£244,529) after tax of £2,660 (2016: -£33,829) and has net liabilities as at the balance sheet date of £2,521 (2016: £1,031,050). The property valuation movement for the period amounted to £000 (-£170,000).

**CP CO 11 LIMITED**  
**STRATEGIC REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The principal financial risks and uncertainties that the Group faces are interest rate risk, liquidity risk and credit risk. These risks, and how the Group manages these risks are discussed below.

The use of financial derivatives is limited to those derivatives undertaken in the original financing. These derivatives are interest rate swaps and inflation swaps used to hedge against interest rate fluctuations and inflation. The Group does not use derivative financial instruments for speculative purposes.

**Interest rate risk**

The Group's activities expose it primarily to the financial risks of changes in interest rates. The Group uses interest rate swap contracts to hedge these exposures.

Interest bearing liabilities are effectively held at fixed rates, through the use of interest rate swaps, to ensure certainty of cash flows.

**Credit risk**

The Group is exposed to credit risk arising from its financial assets, which are comprised of debtors and cash and cash equivalents.

The Group leases all of its properties to two tenants. The financial stability of the tenants are monitored through consistent review of their financial performance and position, ensuring the stability of future cash flows.

The Group's credit risk, attributable to its trade receivables, is managed through requiring prepayment or rental demands in advance from trade receivables. This risk is therefore minimised by the Group's credit policy.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the consolidated financial statements represents the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained.

Cash and bank balances as at 30 June 2017 amounted to GBP 31,088,057. Funds were placed with financial institutions whose ratings are as follows:

Rating Agency	Financial Institution	Rating	2017 GBP
S&P	ING Bank	A-	27,404,917
S&P	Santander Bank	A-	13,683,140
			31,088.05

At 30 June 2017, the largest combined credit exposure to single counterparty was GBP 27,404,917 which represents the total of cash accounts held with ING Bank. This represents 4.7% of total assets and 47.8% of the current assets. The Group does not have any other significant credit risk exposure to single counterparty.

**Liquidity risk**

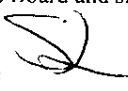
At year end, the Group's responsibility of liquidity risk management rested with the directors of Bidco, who formulated liquidity management tools to service this requirement. The principal policy objective in relation to liquidity is to ensure that the Group is able to access sufficient liquidity to meet its obligations as they become due, primarily servicing the repayment terms of the long term loans held at group level.

Management of liquidity risk is achieved by monitoring actual and forecasted cash flows. Recent forecasts have indicated that the liquidity in the current structure is sufficient to meet its obligations as they become due.

Approved by the Board and signed on its behalf by:

Susan Lawrence

Director

  
**21 March 2018**

**CP CO 11 LIMITED  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2017**

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The directors have pleasure in presenting their report and the financial statements for CP Co 11 Limited for the year ended 30 June 2017.

**DIRECTORS**

The directors who served the Company during the period and to the date of approval of these financial statements were as follows

- Susan Lawrence (appointed 15 December 2016)
- Hugh Sayer (appointed 15 December 2016)
- Nita Savjani (appointed 1 July 2017)
- David Langer (resigned 15 December 2016)

**RESULTS AND DIVIDENDS**

The change in reporting period date from 31 December to 30 June results in a comparison of a full year's operations for 2015, and only 6 months for the period ended 30 June 2016

The results for the period are set out in the statement of comprehensive income on page 9. No dividend is recommended for the period (2016: £Nil).

**Going Concern**

CP Co 11 Limited has net liabilities as at the period end of £2,521. Due to the nature of the Group financing structure, the net asset value and liquidity position of the Group is considered when assessing the going concern of each entity in the Group

The Group has sufficient unrestricted cash resources to cover its liquidity requirements. The ability of the Group to repay its borrowings is dependent on the cash inflows it receives from its investment properties. These cash inflows include rental and disposal receipts. The Group's borrowings are long-term and are repayable to the extent that disposals are made and excess rental income after expenses are collected. Furthermore, the Group holds sufficient unrestricted cash reserves to cover short-term creditors.

At year end, the Group has a net asset value of £53,981,692. An analysis of future expected cash flows confirms that the Group is expected to generate positive net cash flows and will be able to meet its commitments as and when they fall due.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Company continues to adopt the going concern basis in preparing the financial statements.

**Audit Exemption**

For the year ended 30 June 2017 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476

**CP CO 11 LIMITED**  
**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**DIRECTORS' INDEMNITY PROVISION**

Qualifying third party indemnity insurance for the benefit of each director was in place as at the reporting date and as at the date of signing of the financial statements.

**INFORMATION DISCLOSED IN THE STRATEGIC REPORT**

The following information is not shown in the Directors' Report because it is shown in the Strategic Report as required by S414C(11) of the Companies Act 2006:

- Principal activities and review of the business
- Strategy, objectives and future developments
- Review of performance
- Financial risk management objectives and policies

Approved by the Board and signed by:



Susan Lawrence

Director

29 March 2018

**CP CO 11 LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual 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 - including the Financial Reporting Standard 102 (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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments 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.



**CP CO 11 LIMITED**  
**STATEMENT OF TOTAL COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	<b>Year ended 30 June 2017 GBP</b>	<b>6 Months ended 30 June 2016 GBP</b>
<b>Revenue</b>	2	<b>167,004</b>	122,292
Property expenses	3	<u>(4,181)</u>	<u>(2,157)</u>
<b>GROSS PROFIT</b>		<b>162,823</b>	120,135
<b>OPERATING EXPENSES</b>			
Administrative expenses	4	<u>(4,070)</u>	<u>(3,885)</u>
<b>OPERATING PROFIT</b>		<b>158,753</b>	116,250
Fair value movements in investment property	5	<u>(205,424)</u>	<u>(170,000)</u>
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE FINANCE CHARGES</b>		<b>(46,671)</b>	(53,750)
Net finance charges	6	<u>(984,240)</u>	<u>(224,608)</u>
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(1,030,911)</b>	(278,358)
Tax on (loss) / profit on ordinary activities	7	<u>(2,660)</u>	<u>33,829</u>
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(1,033,571)</b>	(244,529)
<b>(LOSS) / PROFIT FOR THE FINANCIAL YEAR / PERIOD</b>		<b>(1,033,571)</b>	<b>(244,529)</b>
Other comprehensive income		-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE FINANCIAL YEAR / PERIOD</b>		<b><u>(1,033,571)</u></b>	<b><u>(244,529)</u></b>

The notes on pages 12 are an integral part of these financial statements


**CP CO 11 LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	Notes	30 June 2017 GBP	30 June 2016 GBP
<b>FIXED ASSETS</b>			
Investment property	9	-	3,800,000
Deferred tax	8	-	2,660
<b>CURRENT ASSETS</b>			
Debtors	10	400,257	1,066,900
Other receivables		53,810	-
<b>TOTAL CURRENT ASSETS</b>		<u>454,067</u>	<u>1,066,900</u>
<b>TOTAL ASSETS</b>		<u>454,067</u>	<u>4,869,560</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Creditors	11	456,588	265,747
Short term portion of long term debt	12	-	661,010
Short term portion of derivative instruments	13	-	76,548
Short term portion of amounts payable under finance leases		-	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>456,588</u>	<u>1,003,305</u>
<b>NET CURRENT LIABILITIES</b>		<u>(2,521)</u>	<u>63,595</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(2,521)</u>	<u>3,866,255</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>			
Long term debt	12	-	2,522,681
Derivatives at fair value	13	-	312,524
Amounts payable under finance leases		-	-
Deferred Tax	8	-	-
<b>NET LIABILITIES</b>		<u>(2,521)</u>	<u>1,031,050</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	14	1	1
Profit and loss account		(2,522)	1,031,049
<b>SHAREHOLDER'S FUNDS</b>		<u>(2,521)</u>	<u>1,031,050</u>

For the year ended 30 June 2017 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

We certify that these financial statements fairly represent the financial condition of the Company as at 30 June 2017

  
Susan Lawrence

**Director**

29 March 2018

The notes on pages 12 are an integral part of these financial statements.

**CP CO 11 LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2017**

	<b>Called-up share capital GBP</b>	<b>Profit and loss account GBP</b>	<b>Total GBP</b>
At 1 January 2015	1	1,275,578	1,275,579
(Loss) for the financial period	-	(244,529)	(244,529)
<b>At 30 June 2016</b>	<b>1</b>	<b>1,031,049</b>	<b>1,031,050</b>
Total comprehensive loss for the financial year	-	(1,033,571)	(1,033,571)
<b>At 30 June 2017</b>	<b>1</b>	<b>(2,522)</b>	<b>(2,521)</b>

The notes on pages 12 are an integral part of these financial statements.

**CP CO 11 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**1 GENERAL INFORMATION AND ACCOUNTING POLICIES**

**Introduction**

CP Co 11 Limited is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales and having its registered address at 400 Capability Green, Luton, Bedfordshire, United Kingdom, LU1 3AE. The Company is domiciled in England and is a wholly-owned subsidiary of CP Co Borrower Ltd, a company incorporated in England.

**Accounting policies**

The principal accounting policies are summarised below. These policies have been applied consistently to the current year and prior period.

**Basis of preparation**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment property and financial instruments, and in accordance with applicable United Kingdom Generally Accepted Accounting Practice - including the Financial Reporting Standard 102 as issued by the Financial Reporting Council. The functional currency of the Company is Pound Sterling (GBP). As the Company is a wholly owned subsidiary it meets the definition of a qualifying entity and has taken the exemption under the terms of FRS102 from preparing a statement of cash flows. Under the new group, the ultimate holding company Chariot Lux Bidco Sarl prepare the consolidated financial statements under International Financial Reporting Standards, which publishes a statement of cash flows. A copy of the Group accounts can be obtained at the address on page 3.

**Financial Reporting standard 102 - reduced disclosure exemption**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland"

- the requirements of Section 7 of Statement of Cash Flows

**Going concern**

CP Co 11 Limited has net liabilities as at the period end of £2,521. Due to the nature of the Group financing structure, the net asset value and liquidity position of the Group is considered when assessing the going concern of each entity in the Group.

The Group has sufficient unrestricted cash resources to cover its liquidity requirements. The ability of the Group to repay its borrowings is dependent on the cash inflows it receives from its investment properties. These cash inflows include rental and disposal receipts. The Group's borrowings are long-term and are repayable to the extent that disposals are made and excess rental income after expenses are collected. Furthermore, the Group holds sufficient unrestricted cash reserves to cover short-term creditors.

At year end, the Group has a net asset value of £53,981,692. An analysis of future expected cash flows confirms that the Group is expected to generate positive net cash flows and will be able to meet its commitments as and when they fall due.

After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly the Company continues to adopt the going concern basis in preparing the financial statements.

**CP CO 11 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**1 GENERAL INFORMATION AND ACCOUNTING POLICIES (continued)**

**Tangible fixed assets**

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the statement of comprehensive income

**Revenue**

Revenue is mainly comprised of rental income from tenants and is stated net of VAT. Base rent represents principal rental income from contracts and is recorded at the contractual value after taking into account the effects of rental smoothing over the lease term. Base rent is paid on a quarterly basis.

Where payments are received from customers in advance of the period to which they relate, the amounts are recorded as deferred income and included as part of creditors due within one year.

Rental smoothing adjustments are recognised on a straight line basis over the period of the lease contract.

Turnover rent represents carpark revenue earned by the tenant on behalf of CP CO on a pre-agreed basis. The turnover rent is recognised in the period it is earned and is received annually in arrears.

Head rent is the rental income for the leasehold properties which is recovered from the tenants. The head rent is recognised in the period it is earned and is received annually in arrears.

Turnover rent and head rent are paid on leasehold properties and a corresponding expense is raised simultaneously. Payments of head rent occur on a quarterly basis to the landlord. Turnover rent is paid on an annual basis to the landlord.

**Taxation**

Current 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 year/period end.

Deferred tax is recognised in respect of all timing differences that have originated but now reversed at the year end 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 year end. 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.

Deferred tax relating to investment property is measured using the tax rates and allowances that apply to sale of the asset.

**1 GENERAL INFORMATION AND ACCOUNTING POLICIES (continued)**

**Financial Assets, Financial Liabilities and Equity**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to offset the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Company has applied the principles of sections 11 and 12 of FRS102 in the measurement and presentation of financial assets and liabilities. Financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its liabilities.

A financial liability is measured initially at the transaction price, which equals the fair value of the goods or services acquired in exchange for incurring the liability and include initial costs incurred in originating the financial liabilities.

Financial liabilities that meet the conditions in paragraph 11.8(b) are measured at amortised cost using the effective interest method.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires. At the time of settlement of any or all of the financial liabilities of the Company, any remaining unwound difference between the carrying value and the gross capital (discount), related to the gross settled capital portion of the financial liabilities, will be unwound as the liability is deemed to have matured (deemed to have become repayable) at that date. The amount of discount unwound is calculated as the proportion of the capital portion of the financial liabilities, settled to the total initial capital of the loan multiplied by the unwound discount remaining in the entity at the time of settlement.

This treatment ensures that the entity matches the benefits derived from the sale of an asset, with the cost of unwinding the discount component of debt. Any remaining discount will continue to be unwound over the original discounting period, determined by the nature of the underlying financial liability.

Non-basic financial liabilities (derivative instruments) are subsequently measured at fair value and movements recognised within interest, in accordance with the provisions of section 12 of FRS102. The policy is to recognise movements in fair value in net finance charges, in profit or loss.

**Finance costs**

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount, unless the substance of the financial instrument dictates otherwise.

Interest on basic financial liabilities held at amortised cost is recognised at the initial effective rate calculated at inception of the financial instrument based on the expectation of interest charged on the instrument and re-payment patterns to maturity. The effective rate is a compound rate which is comprised of the actual interest charged by the lender and the amortisation of any discount element of the financial liability. Any differences in the carrying value resulting from changes in LIBOR or re-payment patterns are reflected in finance costs as a "true-up" adjustment at the end of each reporting period, these adjustments are included in finance costs.

The unwinding of the discount on intercompany loan instruments, including any immediate unwinding occurring when the underlying loan is settled, is classified as a finance charge and is recognised in profit and loss in the period in which it has accrued to the entity. The systematic unwinding of the discount is included as part of the initial effective interest rate described above.

**CP CO 11 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

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**1 GENERAL INFORMATION AND ACCOUNTING POLICIES (continued)**

**Derivative financial instruments**

The Group used derivative financial instruments to reduce exposure to interest rates. The Company does not hold or issue derivative financial instruments for speculative purposes.

On 13 December 2016, the Group entered into a pay fixed and receive floating interest rate swap arrangement with the Commonwealth Bank of Australia in order to mitigate the risk of the variable rate borrowing of Bidco. The Group discharged its obligation by prepaying the fixed leg of the swap transaction on the date of transaction amounting to GBP 5,820,000 with reserving a right to receive the floating rate.

**Finance lease asset and liability**

The entity accounts for finance lease liabilities in respect of the leasehold investment properties at amortised cost and unwinds these over the lifetime of the lease. The entity only accounts for long term leases, those with periods remaining that are greater than 50 years as at 8 November 2012, as finance leases as this period is sufficiently long enough to allow us to assume that the head rent paid for the rent on long leasehold properties, present valued, would arrive at the market value of the property. This is because any individual looking to assign a fair value to the freehold portion of the property would look at the terms of the current leases on the property and would therefore factor this head rental yield into their calculation of fair market value.

The liabilities and assets are initially recognised at the present value of the minimum lease payments. The payments are discounted using the weighted average cost of capital of the Group, because the Group financing structure flows to the property entities and finances their purchase, this is deemed an appropriate imputed rate.

Head rent payments are treated as payments in respect of the finance lease. Any difference between the payments and the unwinding of interest (amortisation of the liability) is treated as a revaluation of the asset in order to maintain an asset value equal to the liability value. This revaluation is recognised through profit and loss in the period in which it occurs.

**Operating leases**

Operating leases which are subject to, or partially subject to, fixed and determinable periodic increases are treated in accordance with paragraph 25 of section 20 of FRS102 whereby the rental income is recognised on a straight line basis over the period of the lease. This gives rise to a rental smoothing adjustment which is a component of revenue as detailed in note 2. The resulting balance forms a part of the fair value of the investment property in note 9.

**CP CO 11 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**1 GENERAL INFORMATION AND ACCOUNTING POLICIES (continued)**

**Impairment**

Assets not excluded under the provisions of paragraph 1 of FRS102 section 27 are assessed annually for impairment. Assets are tested by considering the recoverable amount and comparing this to the carrying amount. Any impairments or impairment reversals arising during the year/period are recognised directly in the statement of comprehensive income in the period in which they occur.

**Fair value measurement**

For assets that are subject to fair valuation, the best evidence of fair value is a quoted price for an identical asset in an active market; this is the case with quoted investments or derivative financial instruments where the fair value is quoted by the issuer. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

**Critical accounting judgements and key sources of estimation**

The net initial yield used to discount the future cash flows of the property to a present fair value is considered by management to be the only key accounting judgement affecting the financial statements. Management obtains comfort over the accuracy of this judgement through the assistance provided by external professional valuers and internally by members of the Company that have sufficient knowledge and expertise and are sufficiently involved in and aware of current market conditions that may influence the discount factor.

Management does not make any other estimates relating to any balances or classes of transaction that are reflected in the financial statements. There are no provisions raised in the financial statements and all accruals raised are determinable by reference to contractual agreements or quotes and therefore require no estimation on the part of management.

<b>2 REVENUE</b>	<b>Year ended 30 June 2017</b>	<b>6 Months ended 30 June 2016</b>
All revenue is from a UK source	<b>GBP</b>	<b>GBP</b>
Base rent	<b>162,823</b>	120,135
Insurance	<b>4,181</b>	2,157
<b>Total revenue</b>	<b>167,004</b>	122,292



**CP CO II LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

<b>3</b>	<b>PROPERTY EXPENSES</b>	<b>Year ended 30 June 2017</b>	<b>6 Months ended 30 June 2016</b>
		<b>GBP</b>	<b>GBP</b>
	Insurance payable	4,181	2,157
	<b>Total property expenses</b>	<b>4,181</b>	<b>2,157</b>
<b>4</b>	<b>ADMINISTRATIVE EXPENSES</b>	<b>Year ended 30 June 2017</b>	<b>6 Months ended 30 June 2016</b>
		<b>GBP</b>	<b>GBP</b>
	Audit fees	-	3,884
	Professional fees	4,070	-
	Other administrative expenses	-	1
	<b>Total administrative expenses</b>	<b>4,070</b>	<b>3,885</b>
	The Company had no employees during the current year and prior period		
<b>5</b>	<b>FAIR VALUE MOVEMENTS IN INVESTMENT PROPERTY</b>	<b>Year ended 30 June 2017</b>	<b>6 Months ended 30 June 2016</b>
		<b>GBP</b>	<b>GBP</b>
	Fair valuation of investment property	-	(170,000)
	Profit/ (loss) on sale of asset	(205,424)	-
	<b>Total other income</b>	<b>(205,424)</b>	<b>(170,000)</b>
<b>6</b>	<b>NET FINANCE CHARGES</b>	<b>Year ended 30 June 2017</b>	<b>6 Months ended 30 June 2016</b>
		<b>GBP</b>	<b>GBP</b>
	Interest on intercompany loan	161,596	107,735
	Interest on intercompany LPI swaps	61,978	10,812
	Unwinding of loan discounts	760,666	106,061
	<b>Total finance charges</b>	<b>984,240</b>	<b>224,608</b>
<b>7</b>	<b>TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES</b>	<b>Year ended 30 June 2017</b>	<b>6 Months ended 30 June 2016</b>
		<b>GBP</b>	<b>GBP</b>
	<b>UK corporation tax</b>		
	Current tax on (loss) / profits for the year/period	-	-
	<b>Total current tax</b>	<b>-</b>	<b>-</b>

**CP CO II LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**7 TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES (continued)**

	<b>Year ended 30 June 2017 GBP</b>	<b>6 Months ended 30 June 2016 GBP</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,660)	3,693
Adjustment in respect of prior periods		30,321
Effect of tax rate change on opening liability		(185)
<b>Total deferred tax</b>	<b>(2,660)</b>	<b>33,829</b>
<b>Taxation on (loss) / profit on ordinary activities</b>	<b>(2,660)</b>	<b>33,829</b>
<b>Factors affecting tax charge for the year/period</b>		
The tax charge is made up as follows		
(Loss) / Profit before income tax	(1,030,911)	(278,358)
Current tax raised at the standard rate of corporation tax in the UK of 19.75% (2016: 20.00%)	(203,605)	55,672
Disposal of fixed assets and capital gains		
Adjustment from previous period	-	30,321
Non-taxable profits	(2,765)	
Non-deductible expenses	214,041	(17,527)
Group relief being surrendered for nil consideration	-	
Effects of changes in the tax rate	(7,224)	(185)
Utilisation of assessed losses brought forward	(447)	
Deferred tax not provided	(2,660)	(34,452)
<b>Total tax charge for the year/period</b>	<b>(2,660)</b>	<b>33,829</b>

**Factors that may affect future tax charges**

The standard rate of tax applied to reported profit on ordinary activities is 19.75% (2016: 20%). The applicable tax rate has changed following the substantive enactment of the Finance Act (No. 2) 2015 from 20% to 19% (effective from 1 April 2017) and from 19% to 18% (effective from 1 April 2020).

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

**8 DEFERRED TAX**

The Company's deferred tax is detailed as below.

	<b>Year ended 30 June 2017 GBP</b>	<b>6 Months ended 30 June 2016 GBP</b>
Deferred tax asset / (liability) is comprised as follows		
Provision at start of period	2,660	(31,169)
Amendment in respect of prior periods		30,321
Deferred tax charged on the income statement for the period	(2,660)	3,508
	-	2,660

**CP CO 11 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**8 PROVISION FOR LIABILITIES (continued)**

	Deferred tax on property revaluations GBP	Deferred tax on other differences GBP	Losses	Total GBP
Balance at start of year/period	2,660			2,660
Effects of changes in tax rates				-
Temporary differences raised or realised	(2,660)			(2,660)
<b>Balance at year end/period end</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The Company has recognised deferred tax at the rate at which the timing differences are expected to reverse. Deferred tax liabilities have been raised at a range of rates between 19% and 20% in the current year (2016: 18.6% - 19%).

**9 INVESTMENT PROPERTY**

	Freehold	Total
		GBP
<b>Net book value</b>		
At 30 June 2016	3,800,000	3,800,000
Disposals	(3,800,000)	(3,800,000)
At 30 June 2017	-	-
<b>2016</b>		
<b>Net book value</b>		
At 1 January 2016	3,970,000	3,970,000
Fair valuation and rental smoothing adjustment	(170,000)	(170,000)
At 30 June 2016	3,800,000	3,800,000
Finance lease asset		-
Total investment property at 30 June 2016	3,800,000	3,800,000

**CP CO 11 LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**9 INVESTMENT PROPERTY (continued)**

The carrying value of properties at year end comprises the following

	<b>Freehold Land and buildings</b>	<b>Total</b>
	<b>GBP</b>	<b>GBP</b>
Cost	-	-
Fair valuations	-	-
	<u>-</u>	<u>-</u>

The carrying value of properties at period end comprises the following

	<b>Freehold Land and buildings</b>	<b>Total</b>
Cost	2,606,636	2,606,636
Fair valuations	1,193,364	1,193,364
	<u>3,800,000</u>	<u>3,800,000</u>

The Group's policy is to fair value the investment property portfolio at each reporting date. The independent valuers engaged to perform the valuation are qualified members of the Royal Institute of Chartered Surveyors. The valuation performed by the independent valuers was at 30 June 2017.

Investment properties are valued by adopting the 'investment method' of valuation. This approach involves applying market-derived yields to current and market-derived future income streams with appropriate adjustments for income voids arising from vacancies or rent-free periods. These capitalisation yields and future income streams are derived from comparable property and leasing transactions and are considered to be the key inputs in the valuation. Other factors that are taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions. Management obtains comfort over the accuracy of this judgement through the assistance provided by external professional valuers and internally by members of the Company that have sufficient knowledge and expertise and are sufficiently involved in and aware of current market conditions that may influence the discount factor.

At the year end the company expects to receive a minimum of Nil (2016: £245,211) in rental receipts in the next year, Nil (2016: £1,282,345) between one and five years and Nil (2016: £4,640,500) between five years and the end of the lease. The properties owned at the reporting date are subject to non-cancellable leases.

As at the date of signing of the financial statements, the entity had disposed of investment property with a carrying value of £3,800,000. The gross sales proceeds achieved were £3,594,576.

**10 DEBTORS**

	<b>Year ended 30 June 2017</b>	<b>6 Months ended 30 June 2016</b>
	<b>GBP</b>	<b>GBP</b>
Prepayments	1,558	1,647
Amount owing from holding company	398,699	1,065,253
<b>Total debtors</b>	<u>400,257</u>	<u>1,066,900</u>

All intercompany transactions are conducted at an arms length basis

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Year ended 30 June 2017</b>	<b>6 Months ended 30 June 2016</b>
	<b>GBP</b>	<b>GBP</b>
Accruals and deferred income	4,502	62,534
Amount owing to holding company	229,776	203,213
New Loan Capital	3,754,255	-
Accrued Interest on loans	62,631	-
Loan Settled through sale	(3,594,576)	-
<b>Total creditors</b>	<u>456,588</u>	<u>265,747</u>

**CP CO II LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)**

The Company entered into a new 7.5% interest bearing loan agreement with CP CO Borrower as part of the restructuring on the 15 December 2016

The new loan value owing to the parent company is £3,754,255 and £62,631 was interest payable for the year. During the year £3,594,576 was settled through the sale of underlying properties. The loan shall be repaid on the earlier of (i) written demand by lender at any time, and (ii) the falling 10 years after 15 December 2016

<b>12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>Year ended 30 June 2017</b>	<b>6 Months ended 30 June 2016</b>
	<b>GBP</b>	<b>GBP</b>
<b>Intercompany loans with parent company</b>		
Gross Loan originally allocated	<b>3,390,839</b>	3,390,839
Gross discount originally allocated	<b>(1,220,476)</b>	(1,220,476)
Discount unwound	<b>984,081</b>	223,415
Accrued interest on loans and swaps - old loans	<b>888,877</b>	789,913
Loan settlement through change in ownership	<b>(4,043,321)</b>	-
<b>Total long term loans</b>	-	3,183,691
Short term portion of long term loans	-	(661,010)
<b>Net long term loans</b>	-	2,522,681
Between one and two years	-	2,522,681
	-	2,522,681

During the financial year, following the restructuring the old intercompany loans were replaced by the new loan (see strategic report for more details)

<b>13 DERIVATIVES</b>	<b>Year ended 30 June 2017</b>	<b>6 Months ended 30 June 2016</b>
	<b>GBP</b>	<b>GBP</b>
	<b>Fair Value</b>	<b>Fair Value</b>
<b>LPI Mirror swaps held with parent company</b>		
Gross loan originally allocated		436,273.00
Fair valuation and interest on swaps		(123,749)
Accrued interest on loans and swaps		76,548.00
<b>LPI Mirror swaps held with parent company</b>	-	389,072
Short term portion of LPI swap with parent company	-	(76,548)
<b>Net long term portion of derivative instruments</b>	-	312,524
After five years	-	312,524

All the swaps agreements were revoked following the restructuring at 15 December 2016

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

**14 CALLED-UP SHARE CAPITAL**

	<b>Year ended 30 June 2017 GBP</b>	<b>6 Months ended 30 June 2016 GBP</b>
<b>Allotted, called-up and fully-paid</b>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

All issued share capital is classified as equity. One ordinary share was issued at par value on incorporation of the Company.

**15 FINANCIAL RISK MANAGEMENT**

The financial risk management objectives and policies are considered at a group level.

The principal risks that the Group faces are interest rate risk, liquidity risk and credit risk. These risks, and how the Group manages these risks are discussed below.

The use of financial derivatives is limited to those derivatives undertaken in the original financing. These derivatives are interest rate swaps and inflation swaps used to hedge against interest rate fluctuations and inflation. Any further investment in derivative interest swaps will be governed by the Group's board of directors, who manage these risks. The Group does not use derivative financial instruments for speculative purposes.

**Interest rate risk**

The Group's activities expose it primarily to the financial risks of changes in interest rates. The Group uses interest rate swap contracts to hedge these exposures.

Interest bearing liabilities are effectively held at fixed rates, through the use of interest rate swaps, to ensure certainty of cash flows.

**Credit risk**

The Group is exposed to credit risk arising from its financial assets, which are comprised of debtors and cash and cash equivalents.

The Group leases all of its properties to two tenants. The financial stability of the tenants are monitored through consistent review of their financial performance and position, ensuring the stability of future cash flows.

The Group's credit risk, attributable to its trade receivables, is managed through requiring prepayment or rental demands in advance from trade receivables. This risk is therefore minimised by the Group's credit policy.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the consolidated financial statements represents the Group's maximum exposure to credit risk without taking into account the value of any collateral obtained.

<b>Rating Agency</b>	<b>Financial Institution</b>	<b>Rating</b>	<b>2017 GBP</b>
S&P	ING Bank	A-	27,404,917
S&P	Santander Bank	A-	13,683,140
			31,088,057

At 30 June 2017, the largest combined credit exposure to single counterparty was GBP 27,404,917 which represents the total of cash accounts held with ING Bank. This represents 4.7% of total assets and 47.8% of the current assets. The Group does not have any other significant credit risk exposure to single counterparty.

**Liquidity risk**

At year end, the Group's responsibility of liquidity risk management rested with the directors of Bidco, who formulated liquidity management tools to service this requirement. The principal policy objective in relation to liquidity is to ensure that the Group is able to access sufficient liquidity to meet its obligations as they become due, primarily servicing the repayment terms of the long term loans held at group level.

Management of liquidity risk is achieved by monitoring actual and forecasted cash flows. Recent forecasts have indicated that the liquidity in the current structure is sufficient to meet its obligations as they become due.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 30 JUNE 2017**

<b>16 FINANCIAL ASSETS AND LIABILITIES</b>	<b>Year ended 30 June 2017</b>	<b>6 Months ended 30 June 2016</b>
	<b>GBP</b>	<b>GBP</b>
Finance lease asset held at amortised value	-	-
Finance lease liability held at amortised value	-	-
Long term loans measured at amortised cost	-	(3,183,691)
Derivatives held at fair value through profit and loss	-	(389,072)
Amount owing from holding company	<b>398,699</b>	1,065,253
Amount owing to holding company	<b>(229,776)</b>	(203,213)
Net financial liabilities	<b><u>168,923</u></b>	<b><u>(2,710,723)</u></b>
Profit and (loss) impact of the financial assets and liabilities		
Amortisation of finance lease asset held at amortised value	-	-
Amortisation of finance lease liability held at amortised value	-	-
Interest on long term loans	<b>(161,596)</b>	(107,735)
Discount on long term loans	<b>(760,666)</b>	(106,061)
Interest and fair valuation of derivatives	<b>(61,978)</b>	(10,812)
	<b><u>(984,240)</u></b>	<b><u>(224,608)</u></b>

**17 EVENTS AFTER THE REPORTING PERIOD**

There are no subsequent events to be disclosed

The financial statements of CP Co 11 Limited were approved by the Board of Directors, and authorised for issue on 29 March 2018

**18 PARENT COMPANY AND ULTIMATE CONTROLLING ENTITY**

As at 30 June 2017 the Company's immediate parent company is CP Co Borrower Limited which is incorporated and registered in England and Wales. The Company's results are consolidated into Chariot Lux Bidco S a r l which produces consolidated financials. This is the smallest group which produces consolidated financial statement. Copies of the consolidated Group financial statements can be obtained from 400 Capability Green, Luton, LU1 3AE, United Kingdom

As at 30 June 2017, the ultimate holding company is Chariot Lux Bidco S a r l which is incorporated and registered in Luxembourg and which is wholly owned by Chariot Lux Holdco S a r l (registered in Luxembourg)

The directors are of the opinion that as at 15 December 2016, the ultimate controlling party is Beaumont Summit Finance DAC which owns 99% of Chariot Lux Bidco Sarl which own 100% of CP Co Borrower Limited. CP CO 1 Limited is a 100% held subsidiary of CP Co Borrower Limited

**19 RELATED PARTY TRANSACTIONS**

During the period, the Group paid directors fees to Cedarhurst Advisors Limited, being a company managed by David Langer, a former director of the Group. The fees were paid for services rendered to the Group as a whole, including all subsidiary companies. David Langer resigned 15 December 2016

The amount of directors fees incurred by CP Co Borrower during the period 01 July 16 to 15 December 2016 amounted to £723,542 (2016 £592,500) and the amount of directors fees owing by CP Co Borrower at 15 December 2016 amounted to Nil (2016 £93,750)

During the period, the Group paid directors fees to Hugh Sayer, who was appointed 15 December 2016. The fees of £1,000 per entity were paid for services rendered to each UK company in the group. The amount of Director fees incurred by CP Co Borrower during the period 16 December 2016 to 30 June 2017 for the Group amounted to £25,000

Susan Lawrence was appointed as a director on 15 December 2016. Susan Lawrence is a director of TMF Global Services (UK) Limited which provides corporate accounting and corporate secretarial services to the Company