

Mailbox (Car Park) Limited

Report and Financial Statements

Year Ended

31 December 2016

Company Number 08316559

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Mailbox (Car Park) Limited

Company Information

Directors	A Wright M Marks
Registered number	08316559
Registered office	89 Wardour Street London W1F 0UB
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU

Mailbox (Car Park) Limited

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Mailbox (Car Park) Limited

Directors' Report For the Year Ended 31 December 2016

The Directors present their annual report and the audited financial statements of Mailbox (Car Park) Limited for the year ended 31 December 2016.

The Company was incorporated in the United Kingdom and established on 3 December 2012. It is governed by the Companies Act 2006.

Principal activity

The Company's principal activity is the operation and management of car parks.

Ultimate controlling parties

The Company is ultimately controlled by Brockton Capital Fund II GP (Guernsey) Limited, the General Partner of Brockton Capital Fund II (Scotland) L.P., the General Partner of Brockton Capital Fund II L.P..

Results and dividends

The results for the year are shown in the Statement of Comprehensive Income on page 5.

The Directors recommend the payment of a dividend of £310,001 (2015: £Nil).

Directors

The Directors who served during the year were:

A Wright
R Buck (resigned 31 August 2016)
M Marks (appointed 31 August 2016)

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved have confirmed that:

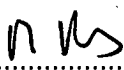
- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, have expressed their willingness to continue in office and will be proposed for reappointment in accordance with the Companies Act 2006.

In preparing this Directors' Report advantage has been taken of the small companies' exemption.

This report was approved by the Board on **22 March 2017** and signed on its behalf.


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Director **M MARKS**

Mailbox (Car Park) Limited

Directors' Responsibilities Statement

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 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 International Financial Reporting Standards as adopted by the EU 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 proper accounting records that 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.

Mailbox (Car Park) Limited

Independent Auditor's report to the members of Mailbox (Car Park) Limited

We have audited the financial statements of Mailbox (Car Park) Limited for the year ended 31 December 2016 which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion 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 year 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.

Mailbox (Car Park) Limited

Independent Auditor's report to the members of Mailbox (Car Park) Limited

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 where 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 prepare the Directors' Report in accordance with the small companies regime and to the exemption from the requirement to prepare a Strategic Report.

BDO LLP

Geraint Jones (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
London
United Kingdom

22 March 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Mailbox (Car Park) Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2016**

	Note	2016 £	2015 £
Revenue	4	2,550,076	2,565,321
Other property operating expenses	5	(2,351,948)	(2,272,559)
		<hr/>	<hr/>
Gross profit		198,128	292,762
Administrative expenses	6	(12,716)	(22,088)
		<hr/>	<hr/>
Operating profit		185,412	270,674
Finance income	7	1,154	852
		<hr/>	<hr/>
Profit on ordinary activities before taxation		186,566	271,526
Taxation on profit on ordinary activities	8	(37,723)	(55,051)
		<hr/>	<hr/>
Profit and total comprehensive income for the year		148,843	216,475
		<hr/> <hr/>	<hr/> <hr/>

All results shown in the Statement of Comprehensive Income are from continuing operations.

All profit and total comprehensive income are attributable to the equity holders of the Company.

The notes on pages 9 to 22 form part of these financial statements.

Mailbox (Car Park) Limited
Registered number:08316559

Statement of Financial Position
As at 31 December 2016

	Note	2016 £	2015 £
Assets			
Current assets			
Trade and other receivables	9	763,876	1,074,779
Cash and cash equivalents		14,740	16,769
		<u>778,616</u>	<u>1,091,548</u>
Total assets			
Liabilities			
Current liabilities			
Trade and other payables	10	276,779	411,447
Corporation tax payable		7,383	24,489
		<u>284,162</u>	<u>435,936</u>
Total liabilities			
		<u>494,454</u>	<u>655,612</u>
Net assets			
Equity attributable to equity holders of the Company			
Share capital	12	1	1
Retained earnings		494,453	655,611
		<u>494,454</u>	<u>655,612</u>
Total equity			

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on **22 March 2017**.



Director **M MARKS**

The notes on pages 9 to 22 form part of these financial statements.

Mailbox (Car Park) Limited

**Statement of Changes in Equity
As at 31 December 2016**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2016	1	655,611	655,612
Comprehensive income for the year			
Profit for the year	-	148,843	148,843
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	148,843	148,843
Contributions by and distributions to owners			
Dividends: Equity capital	-	(310,001)	(310,001)
Total contributions by and distributions to owners	-	(310,001)	(310,001)
Balance at 31 December 2016	1	494,453	494,454

**Statement of Changes in Equity
As at 31 December 2015**

	Share capital £	Retained earnings £	Total equity £
At 1 January 2015	1	439,136	439,137
Comprehensive income for the year			
Profit for the year	-	216,475	216,475
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	216,475	216,475
Total contributions by and distributions to owners	-	-	-
Balance at 31 December 2015	1	655,611	655,612

The notes on pages 9 to 22 form part of these financial statements.

Mailbox (Car Park) Limited

**Statement of Cash Flows
For the Year Ended 31 December 2016**

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	148,843	216,475
Adjustments for:		
Finance income	(1,154)	(852)
Taxation	37,723	-
Decrease/(Increase) in trade and other receivables	310,903	(291,710)
Increase/(Decrease) in trade and other payables	61,662	(348,933)
Taxation	-	55,051
Corporation tax paid	(54,829)	(50,708)
Net cash generated from/(used in) operating activities	503,148	(420,677)
Cash flows from financing activities		
Loans received from Group undertakings (net)	(196,330)	80,000
Dividends paid	(310,001)	-
Interest received	1,154	852
Net cash (used in)/generated from financing activities	(505,177)	80,852
Net decrease in cash and cash equivalents	(2,029)	(339,825)
Cash and cash equivalents at beginning of year	16,769	356,594
Cash and cash equivalents at the end of year	14,740	16,769
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	14,740	16,769

The notes on pages 9 to 22 form part of these financial statements.

Mailbox (Car Park) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

1. General information

The Company was incorporated on 3 December 2012 and is domiciled and registered as a limited company in the United Kingdom. It is a wholly owned subsidiary of Mailbox (Birmingham) Limited, which is ultimately owned by Brockton Capital Fund II L.P.

2. Accounting policies

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 and International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee (IFRIC) as adopted by the European Union.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

The principal accounting policies adopted in these financial statements are set out below:

2.1 Basis of preparation of financial statements

The financial statements have been prepared on the historical cost basis.

2.2 Going concern

The financial statements have been prepared on the going concern basis. After making enquiries and taking into consideration the profitability, net current assets and net assets position of the Company, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

2.3 Changes in accounting policy and disclosures

New and revised standards adopted by the EU that are mandatorily effective for the year ending 31 December 2016

The following standards and amendments have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2016:

- Annual Improvements to IFRSs – 2012-2014 Cycle;
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities – Applying the consolidation exception;
- Amendments to IAS 27: Equity method in separate financial statements;
- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation;
- Amendments to IAS 16 and IAS 41: Bearer plants;
- Amendments to IFRS 11: Accounting for acquisitions of interests in joint operations; and
- Amendments to IAS 1: Disclosure initiative

Mailbox (Car Park) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

Changes in accounting policy and disclosures (continued)

New and revised standards adopted by the EU that are mandatorily effective for the year ending 31 December 2016 (continued)

The adoption of these amendments did not have any impact on the financial statements of the Company for the current year or any prior period and is not likely to affect future periods.

New and revised IFRSs adopted by the EU that are not mandatorily effective for the year ending 31 December 2016

The following standards and amendments have been adopted by the EU that are not yet mandatorily effective for the year ending 31 December 2016. Accordingly, they have not been applied in preparing these financial statements.

- IFRS 9 Financial instruments (effective 1 January 2018)
- IFRS 15 Revenue from contracts with customers (effective 1 January 2018)

The Company has assessed the impact of the new standards above and concludes that none are expected to have a material impact on the financial statements of the Company.

New and revised standards and interpretations issued by the IASB but not yet adopted by the EU

A number of new standards and amendments to standards and interpretations are effective for annual years beginning on or after 1 January 2016 as issued by the IASB but they have not yet been adopted by the EU. Accordingly they have not been applied in preparing these financial statements. These new standards and interpretations are as follows:

- IFRS 16 Leases
- Amendments to IAS 12: Recognition of deferred tax assets for unrealised losses
- IFRS 14 Regulatory Deferral Accounts

The Company is assessing the impact of the new standards and interpretations above but none of these are expected to have a significant effect on the financial statements of the Company.

2.4 Revenue

Revenue comprises of car park fees, net of value added tax, which are charged to the customer and recognised over the period for which car parking services are provided.

2.5 Segmental information

The Company's activities consist solely of car park operation and management in the United Kingdom.

Mailbox (Car Park) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.6 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instruments.

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets, as appropriate. The classification depends on the nature and purpose of the financial assets. The Company determines the classification of its financial assets at initial recognition.

All purchases and sales of financial assets are recognised on the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Company transfers substantially all risks and rewards of ownership.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss (i.e. derivatives) or other liabilities, as appropriate. All loans and borrowings and trade and other payables are classified as other liabilities.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.7 Trade and other receivables

Financial assets recognised in the Statement of Financial Position as trade and other receivables are classified as loans and receivables. Trade receivables are the rents due from tenants of the investment property and cash held by the managing agent collected from tenants. Trade receivables are initially recognised at their fair value and subsequently measured at amortised cost. A provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits held at call and short notice with banks with original maturity of less than 90 days.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

Mailbox (Car Park) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.9 Fair value estimations

The Company measures certain financial instruments at fair value at the end of each reporting year. In addition, the fair value of financial instruments measured at amortised cost are disclosed in the financial statements.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants, acting in their economic best interest, at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The Company must be able to access the principal or the most advantageous market at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs significant to the fair value measurement as a whole. The fair values of financial assets and financial liabilities are determined as follows.

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow (DCF) analysis using prices from observable current market transactions and dealer quotes for similar instruments.
- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a DCF analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Mailbox (Car Park) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

Fair value estimations (continued)

Inputs used in determining fair value measurement are categorised into different levels based on how observable the inputs used are:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

2.10 Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers and are initially recognised at fair value and subsequently measured at amortised cost.

2.11 Finance income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Mailbox (Car Park) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.12 Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in other comprehensive income or equity - in which case, the tax is also recognised in other comprehensive income or equity. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the Statement of Financial Position.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the Statement of Financial Position and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The Company is registered in the United Kingdom and is subject to local taxation at the standard rate of 20%.

2.13 Other financial assets and liabilities

Other financial assets and liabilities are initially recognised at fair value plus (financial assets) / less (financial liabilities) directly attributable transaction costs. They are subsequently measured at amortised cost. Their book values approximate their amortised cost values, and their amortised cost values approximate their fair values.

2.14 Leased assets: lessee

All leases are treated as operating leases. Their annual rentals are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.

2.15 Functional currency

The Company's financial statements are presented in pounds sterling, which is also the Company's functional currency.

3. Critical accounting estimates and judgements

There are no particular critical accounting estimates and judgements involved in the preparation of the financial statements.

Mailbox (Car Park) Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

4. Revenue

	2016 £	2015 £
Rental income - Car park	<u>2,550,076</u>	<u>2,565,321</u>

All revenue arose within the United Kingdom.

5. Other property operating expenses

	2016 £	2015 £
Rent	1,583,477	1,545,828
Service charge	146,877	408,898
Rates	275,850	68,689
Management fees	18,000	13,500
Provision for bad debts	(93)	(115)
Other property costs	327,837	235,759
	<u>2,351,948</u>	<u>2,272,559</u>

6. Administrative expenses

Operating profit is stated after charging:

	2016 £	2015 £
Bank charges	359	391
Accountancy fees	12,357	10,197
Other costs	-	11,500
	<u>12,716</u>	<u>22,088</u>

Included in the above are auditor fees of £5,000 (2015: £5,000).

7. Finance income

	2016 £	2015 £
Bank interest	<u>1,154</u>	<u>852</u>

Mailbox (Car Park) Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

8. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	37,723	55,081
Prior year over provision for tax	-	(30)
Total taxation charge for the year	<u>37,723</u>	<u>55,051</u>

Factors affecting tax charge for the year

The tax on the Company's profit differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Company as follows:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>186,566</u>	<u>271,526</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	37,313	54,974
Effects of:		
Non-deductible expenditure	1,150	2,435
Capital allowances for year in excess of depreciation	(740)	(2,328)
Prior year over provision	-	(30)
Total tax charge for the year	<u>37,723</u>	<u>55,051</u>

There are no deferred tax balances as at 31 December 2016 (2015: £Nil).

Mailbox (Car Park) Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

9. Trade and other receivables

	2016 £	2015 £
Trade receivables	68,815	-
Other receivables	-	409,476
Prepayments and accrued income	599,400	572,998
VAT receivable	95,661	92,305
	<u>763,876</u>	<u>1,074,779</u>

10. Trade and other payables

	2016 £	2015 £
Trade payables	5,400	28,660
Amounts due to group company	-	196,330
Other payables	170,039	133,600
Accrued expenditure	101,340	52,857
	<u>276,779</u>	<u>411,447</u>

Trade payables are non-interest bearing and are normally settled on 30 day terms.

Amounts due to group company relates to advances provided to the Company by Mailbox (Birmingham) Limited, the Company's immediate parent.

11. Financial risk management objectives and policies

The Company's principal financial liabilities are advances from the parent company. The Company has various financial assets such as other receivables and trade and other payables that arise directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

Mailbox (Car Park) Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

Financial risk management objectives and policies (continued)

Market risk

The Company does not have any exposure to foreign currencies and therefore is not exposed to foreign exchange risk.

The Company is not exposed to commodity or security price risk.

Interest rate risk

The Company is not exposed to interest rate risk.

Credit risk

The Company is not exposed to credit risk.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of parent company advances. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial assets and liabilities based on contractual undiscounted cash flows:

Financial assets

	On demand £	< 1 year £	1 to 5 years £	> 5 years £	Total £
Year ended 31 December 2016					
Trade and other receivables	-	68,815	-	-	68,815
Cash and cash equivalents	14,740	-	-	-	14,740
Total assets	14,740	68,815	-	-	83,555

Financial liabilities

	On demand £	< 1 year £	1 to 5 years £	> 5 years £	Total £
Year ended 31 December 2016					
Trade and other payables	-	276,779	-	-	276,779
Total liabilities	-	276,779	-	-	276,779

Mailbox (Car Park) Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

Financial risk management objectives and policies (continued)

Financial assets

	On demand £	< 1 year £	1 to 5 years £	> 5 years £	Total £
Year ended 31 December 2015					
Trade and other receivables	-	982,474	-	-	982,474
Cash and cash equivalents	16,769	-	-	-	16,769
Total assets	<u>16,769</u>	<u>982,474</u>	<u>-</u>	<u>-</u>	<u>999,243</u>

Financial liabilities

	On demand £	< 1 year £	1 to 5 years £	> 5 years £	Total £
Year ended 31 December 2015					
Trade and other payables	196,330	215,117	-	-	411,447
Total liabilities	<u>196,330</u>	<u>215,117</u>	<u>-</u>	<u>-</u>	<u>411,447</u>

Fair values

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying amount 2016 £	Fair value 2016 £
Financial assets		
Trade and other receivables	68,815	68,815
Cash and cash equivalents	<u>14,740</u>	<u>14,740</u>

Financial liabilities

Trade and other payables	<u>276,779</u>	<u>276,779</u>
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Mailbox (Car Park) Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2016**

Financial risk management objectives and policies (continued)

	Carrying amount 2015 £	Fair value 2015 £
Financial assets		
Trade and other receivables	982,474	982,474
Cash and cash equivalents	16,769	16,769
	<u> </u>	<u> </u>
Financial liabilities		
Trade and other payables	411,447	411,447
	<u> </u>	<u> </u>

The Directors assessed that the fair value of cash and short-term deposits, rent and other receivables, trade payables and other current liabilities approximate to their carrying amounts largely due to the short-term maturities of these instruments. These are classified in Level 1 of the fair value hierarchy.

12. Share capital

	2016 £	2015 £
Authorised, issued and fully paid		
1 ordinary share of £1	1	1
	<u> </u>	<u> </u>

13. Reserves

A description of the Company's reserves is as follows:

Share capital - The share capital reserve represents the nominal value of the shares issued.

Retained earnings - The retained earnings reserve represents cumulative profit and losses, net of dividends paid and other adjustments.

Mailbox (Car Park) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

14. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Included in trade and other payables (note 10) is the advance received from the parent company, which the Company considers subordinated to all the liabilities and manages it as capital.

The Directors monitor capital on the basis of the net assets attributable to the owners of the parent.

15. Contingent liabilities

The lease granted by Mailbox (Birmingham) Limited to the Company in relation to the car park at the property, the Mailbox, Birmingham, is secured by a Fixed and Floating charge in favour of the immediate parent undertaking's financiers, Aareal Bank AG and Pramerica Real Estate Capital A Sarl.

16. Commitments under operating leases - Company as lessee

	2016 £	2015 £
Lease payments under operating leases recognised as an expense in the year	<u>1,583,477</u>	<u>1,545,828</u>

At the reporting date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	1,768,890	1,994,928
In the second to fifth years inclusive	7,076,529	7,976,436
After five years	21,169,679	25,837,321
	<u>30,015,098</u>	<u>35,808,685</u>

Operating lease payments represent the rent payable by the Company for the lease of the car park granted to it by its parent company.

Mailbox (Car Park) Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

17. Related party transactions

Mailbox (Birmingham) Limited, a Guernsey Registered company, is the immediate parent and sole owner of the issued share capital of the Company.

As at 31 December 2016, an intercompany payable of £Nil (2015: £196,330) was due to Mailbox (Birmingham) Limited. In addition, the Company accrued for rent top-up expenses of £48,140 (2015: £126,314) payable to Mailbox (Birmingham) Limited.

During the year a dividend of £310,001 (2015: £Nil) was paid to Mailbox (Birmingham) Limited.

During the year, the Company was charged an amount of £1,583,477 (2015: £1,545,848) for rent and £146,877 (2015: £408,898) for service charges by Mailbox (Birmingham) Limited.

18. Ultimate parent undertaking and controlling party

In the opinion of the Directors the ultimate parent undertaking and controlling party is Brockton Capital Fund II GP (Guernsey) Limited, the General Partner of Brockton Capital Fund II (Scotland) L.P., the General Partner of Brockton Capital Fund II L.P..

19. Subsequent events

There were no material events subsequent to the year end that are required to be disclosed.