Registered Number: 253240

National Car Parks Limited

Annual Report and Financial Statements

For the 52 week period ended 25 March 2016

National Car Parks Limited

CONTENTS

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

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

REGISTERED OFFICE

Saffron Court
14b St Cross Street
London
EC1N 8XA

BANKERS

Royal Bank of Canada Europe Limited
71 Queen Victoria Street
London
EC4V 4DE

National Westminster Bank plc
1 Princes Street
London
EC2R 8PA

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

National Car Parks Limited

STRATEGIC REPORT

The directors present their strategic report for National Car Parks Limited (the "Company") for the period ended 25 March 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the management and operation of car parks. The Company is the UK market leader in the provision of off street parking services. Its success is driven by a number of factors including:

• Prime locations - enabling NCP to have a visible presence in UK main city centres which give the Company a distinct competitive edge at a local level and unparalleled geographical breadth across the UK. These enable the business to diversify its risk and not to rely on one key area or contract.

• Strong brand recognition – the NCP brand is the most widely recognisable parking brand in the UK.

• A high proportion of long term lease contracts - with a high proven historical renewal rate, which underpin a stable cash income.

• Advanced technology – NCP uses IT and automation to optimise its operating model and provide a competitive edge in bidding for new sites or in the renewal of contracts.

NCP has a strong market position in the areas of off-street and rail parking and provides airport car parking to a number of regional airports. The Company will continue to seek to expand its car parking activities wherever suitable opportunities arise.

BUSINESS ENVIRONMENT

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

The Company operates in a competitive environment. It is the largest private operator in the country and whilst there are no competitors that can offer the geographical coverage that the Company provides, there is strong competition at a local and regional level, with its main competitors being local authorities, Q-Parks, APCOA and Indigo.

MARKET STRATEGY

The Company is pursuing a number of growth options with a view to improving turnover, growing market share and increasing profitability. These include continued involvement in partnerships with local authorities, rail operators and airports. A number of new car park contracts have been won during the period, notably in Cardiff and Salford. The Company is also focused on site intensification, maximising the potential of each of its car parks by seeking additional sources of revenue where feasible, ensuring that pricing is optimised taking into account the location and potential customers that the car parks serve and that car parks are maintained and manned to an appropriate level.

The Company believes that continued investment in technology will play an important role in retaining existing customers and winning new business. The Company's investment in this area enables NCP to sustain its competitive edge in providing enhanced services to its customers, particularly through its award-winning national Customer Contact Centre in Manchester and the continuing roll-out of pre-book parking across its off-street car parks.

BUSINESS REVIEW

The Company's results for the 52 week period to 25 March 2016 show an improvement in the underlying profitability of its parking business and the continued benefit of realising compensation where, for example, sites are handed back to landlords for development. The financial results are shown in the profit and loss account on page 10.

Like for like sales comprised 94% of turnover for the period. Overall the business achieved an increase in like for like sales of 6.5%, with a 6.6% increase at its off-street car parks. This was caused by significant growth in off street as well as at several of its regional airport sites, driven by a mix of increased volumes tariff changes. The season ticket book also grew by 5.2% in the period.

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

The balance sheet on page 11 of the financial statements shows that the Company's net assets have increased to £186.9 million (2015: £158.3 million) at the financial period end.

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

Operational strategy has continued to focus on the customer experience with the development of minimum standards, implementing a sustained programme of operational excellence and continued investment in e-commerce.

BUSINESS REVIEW (continued)

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

KEY PERFORMANCE INDICATORS ("KPIs")

The board monitors the Company's performance in a number of ways including key performance indicators. The key financial and non financial performance indicators together with the comparative information for 2015 are as follows:

	2016 £'000	2015 £'000
Turnover	**202,703**	**198,736**
Total like for like sales growth	**6.5%**	**5.2%**
Off street like for like sales growth	**6.6%**	**3.9%**
Operating profit	**10,274**	**764**
Add back depreciation	8,676	8,939
Add back impairment (credit)/charge	-	(5,694)
Add back loss on disposal of non-property fixed assets	-	863
Add back non-cash charge for management incentive plan	703	1,463
Add back intercompany costs excluded from EBITDAE	330	923
Earnings before interest, tax, depreciation, amortisation and exceptional items (EBITDAE)	**19,983**	**7,258**
Movement in provisions credited to the profit and loss account	(6,926)	2,107
EBITDAE excluding provision movements	**13,057**	**9,365**
EBITDAE as a percentage of turnover	**9.9%**	**3.7%**
EBITDAE excluding movement in provisions as a percentage of turnover	**6.4%**	**4.7%**
Other relevant KPIs		
Number of transactions ('000) (number of visits)	38,179	36,610
Cash at bank and in hand	17,871	23,657
Capital expenditure	20,248	7,633
Employees (average number)	1,130	1,138
Staff absence %	3.2%	3.0%

EBITDAE is used by the board to measure profitability because headline statutory numbers are difficult to interpret due to the number of non cash accounting items within statutory profit. The main reconciling items between operating loss and EBITDAE are depreciation, amortisation, impairment, loss on disposal of fixed assets and intercompany transactions. Management EBITDAE includes all entities within NCP so the intercompany transactions form part of the reconciling items for statutory purposes.

The company achieved an increase in like for like sales of 6.5% across all its car parks, building on the 5.2% achieved in 2015, with 6.6% growth in the off street business. Property lease rental costs have increased in the year as a result of contractual rent escalation clauses. The increase in EBITDAE is due to increased turnover partly offset by contractual rent escalation causes.

The increase in the number of visits in the year was due to improved trading reflected by 5.1% volume growth (2015: 3.1%) on a like for like basis.

Capital expenditure increased to £20.2m (2015: £7.6m) mainly due to the lease capitalisation of a major lighting contract. In December 2015 the lease related to LED lighting installation was amended. The original contract, which was entered into in November 2013, was accounted for as an operating lease and payments formed part of cost of sales. As a consequence of the amendment it is now a finance lease, with the costs being recognised through depreciation on the lease assets and the unwinding of the lease liability through interest costs. The benefit in the year to EBITDAE as a consequence of this change was £1,065,000. Had the lease been treated as a finance lease throughout the year the benefit to EBITDAE would have totalled £3,196,000 and "EBITDAE including cash value of asset disposals and excluding provision movements" would have totalled £15,188,000.

Operating profit has improved to a profit of £10.3m from a profit of £0.8 million. Increased turnover in 2016 driven by strong LFL performance was partly offset by contractual rent escalation.

FINANCIAL RISK MANAGEMENT

The directors regularly consider the effect of risk on the Company's business and together with the internal risk management department work to limit any adverse financial exposure. The principal risks the Company is exposed to are strategic risk, external and market risk, commercial risk, operational risk, regulatory risk, financial risk, credit risk and liquidity risk.

Strategic risk
Risks likely to affect the long term performance of the Company as a whole include; reputation, change management, sales forecasting, plans for growth and performance management (including financial, operational and people elements). The leadership team and board oversee controls and initiatives to mitigate these risks, for instance a bonus scheme applicable to employees within the organisation which rewards according to strict performance criteria.

Following the financial restructure in 2012, a Management Incentive Plan ("MIP") was implemented for certain members of the senior management team designed to incentivise them on the delivery of the post-restructuring business plan.

External and market risk
This category includes risks which the Company has limited control over, including decisions/actions by national or local government, competition and the current economic climate, including potential interest rate increases on debt. The Company attempts to mitigate exposure to adverse economic conditions by tightly controlling costs and protecting turnover. Its management of interest rate risk is discussed under interest rate cash flow risk.

Commercial risk
The Company is in long term contractual relationships with a number of key organisations. These include commercial arrangements where car parks are operated on a third party's behalf particularly in the airport and rail sectors, and a number of local councils in the off-street segment. The Company also has long term contractual lease agreements in place covering a significant proportion of its off-street car park estate spread across a large number of lessors, although 102 car parks sites are leased from a landlord through a sale and leaseback arrangement undertaken in 2001.

The Company also does significant business with a number of other suppliers and whilst the business it does with its suppliers can be significant given the size of the activities, it does not believe it is reliant on any one supplier. To manage this risk the Company performs regular service reviews and controls procurement in line with industry best practice.

Operational risk
This risk category includes a diverse range of risks, including those relating to systems, health, safety and environment, information, property and crime. Operational risks relate to the customer experience, protecting staff, property and turnover and providing the appropriate infrastructure, systems and training for operations. Most sub-categories of operational risks can be linked to compliance with the Company's aim of ensuring all car parks are safe, clean and working effectively.

Regulatory risk
The Company's services are subject to UK statutory law and regulation directed by central and local government as well as regulation by the major credit card companies and an operational code of conduct issued by the British Parking Association. Breaches of these requirements could result in fines or adversely impact upon our relationships with existing and potential new clients. The Company ensures it remains up to date with the latest requirements and communicates them to all relevant personnel, through its Risk & Audit committee.

Financial risk
The directors regularly consider the effect of risk on the Company's business and work together with the internal risk department to limit any adverse financial exposure. The principal risks to which the Company is exposed are credit risk and liquidity risk and as detailed below. The Company has limited exposure to interest rate cash flow risk and price risk and no exposure to foreign exchange risk.

Credit risk
The Company's principal financial assets are bank balances, cash, trade debtors, intercompany debtors and other debtors. The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debtors. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies, but is concentrated with The Royal Bank of Scotland plc and Santander UK plc. The Company has no other significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

STRATEGIC REPORT (continued)

FINANCIAL RISK MANAGEMENT (continued)

Interest rate cash flow risk
In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of cash and intercompany balances.

The main liquidity risks facing the business relate to trading risk, financing risk, counter party risk and property risks. Financing risk is dependent on meeting covenants testing which the Group monitors on a regular basis. Counter party risks in the form of debtors are a relatively small issue for the business due to the nature of the turnover streams.

As part of the financial restructuring, on 15 May 2012 MEIF II CP 3 purchased an interest rate cap at 2% plus the agreed margin on £105 million of its debt.

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

J P Scott
Director
22 June 2016

DIRECTORS' REPORT

The directors present their report and audited financial statements of National Car Parks Limited (the "Company") for the period ended 25 March 2016. A review of the business and future developments is included in the Strategic report on pages 2 to 5.

DIVIDEND

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

DIRECTORS

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

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

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

FINANCIAL RISK MANAGEMENT

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

EMPLOYEES

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

NCP and its staff apply the following values:

D Deliver what we say
R Respect for everyone
I Integrity in everything we do
V Views are valued
E Energy and passion at all times

NCP's strategy is communicated to all team members when they join NCP and complete the induction course. An ongoing communication process takes place by further updates on a weekly and monthly basis which include information relating to the financial and economic factors that affect NCP's performance. NCP values team engagement and the delivery of the strategy through team involvement. The activities that impact on our teams are closely monitored to ensure that both the strategy and team engagement are both aligned to keep NCP at the forefront of a competitive marketplace. Regular staff surveys are carried out to monitor areas of success and development.

NCP has in place existing information and consultation agreements approved by employees through workplace ballots. In accordance with the Consultation of Employees Regulations, NCP communicates with its employees in relation to:

Information on:

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

Information and consultation on:

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

Information and consultation with a view to reaching agreement on:

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

NCP is fully committed to treating all job applicants and employees fairly and equally regardless of their race, religion or belief, gender, sexuality, age or disability. Furthermore, NCP believes that it is crucially important to value and respect all employees as individuals and concentrate on personality and individual strengths in order to gain from a diverse workforce.

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

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

NCP encourages its staff to continue their education by gaining qualifications relevant to their work and assistance may be given to enable them to undertake an approved course of study.

DIRECTORS' REPORT (continued)

CORPORATE AND SOCIAL RESPONSIBILITY

NCP works closely with local and national charities and encourages all its employees to become involved in local initiatives that support the local community and participate in local community projects. On a national level, NCP is a partner of The Prince's Trust, donating £25,000 for the year (2015: £25,000). A number of local initiatives also have taken place during the period to raise funds for national and local charities such as Rockinghorse.

As the UK market leader, NCP is committed to reducing the environmental and social impact of its car parks' activities on the communities in which it operates. NCP is fully engaged with local communities over a range of social issues, including regular representation on vehicle crime action groups, community and business safety partnerships, homelessness organisations and local police. NCP also regularly assists police and other security organisations by sharing information, including CCTV data.

NCP works to incorporate environmentally friendly measures in the design of new car parks and encourages and assists its customers to reduce their carbon footprint. NCP is signed up as part of the "Source London" initiative to provide a significant level of electric vehicle public charging points in London over the medium term. It also has an on-going programme to replace mains powered machines with solar and wind powered ones across its sites to make a positive contribution toward reducing the effects of climate change.

A major investment in energy efficient lighting was completed in July 2014 which is resulting in a significant reduction in our consumption and which won NCP the Sustainable Parking Award from the British Parking Association in March 2015.

In early 2015, NCP started a project in conjunction with the charity Disabled Motoring UK to achieve the standard required for their Disabled Parking Award. To date, the Award has been achieved at over 108 of its multi-storey car parks, and helped NCP win Best Car Operator 2015 from Disabled Motoring UK.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, disclose with reasonable accuracy at any time the financial position of the company and 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.

DISCLOSURE OF INFORMATION TO AUDITORS

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

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(2) the directors have taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

DIRECTORS' INDEMNITIES

The Company has maintained qualifying third party indemnity insurance on behalf of its directors and officers during the period and this will continue to be maintained beyond the date of approval of the financial statements.

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

J P Scott
Director
22 June 2016

Independent auditors' report to the members of National Car Parks Limited

Report on the financial statements

Our opinion

In our opinion, National Car Parks Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 25 March 2016 and of its profit for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance sheet as at 25 March 2016;
- the Profit and loss account and statement of comprehensive income for the period then ended;
- the Statement of changes in equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

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

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

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

Peter Acloque

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

PROFIT AND LOSS ACCOUNT
For the period ended 25 March 2016

	Note	2016 £'000	2015 £'000
Gross receipts, including site owners' share	2	243,612	230,596
Less site owners' share of gross receipts	2	(40,909)	(31,860)
Turnover	2	202,703	198,736
Cost of sales		(173,913)	(186,256)
Gross Profit		28,790	12,480
Administrative expenses		(20,116)	(19,533)
Reversal of fixed asset impairment	4	-	5,694
Other operating income	3	1,600	2,123
Operating profit		10,274	764
Income from shares in group undertakings	7	2,644	-
Interest receivable and similar income	8	17,010	15,755
Interest payable and similar charges	9	(1,927)	(1,760)
Profit on ordinary activities before taxation		28,001	14,759
Tax on profit on ordinary activities	10	(20)	(20)
Profit for the financial period		27,981	14,739

STATEMENT OF COMPREHENSIVE INCOME
For the period ended 25 March 2016

	Note	2016 £'000	2015 £'000
Profit for the financial period		27,981	14,739
Other comprehensive income:			
Net actuarial gain/(loss) relating to the pension scheme	17	200	600
Total tax on components of other comprehensive income	16	(240)	(303)
Other comprehensive (expense)/income for the period		(40)	297
Total comprehensive income for the period		27,941	15,036

The notes on pages 13 to 31 form part of these financial statements.

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

BALANCE SHEET
As at 25 March 2016

	Note	2016 £'000	2015 £'000
FIXED ASSETS			
Tangible assets	11	54,144	41,930
Investments	12	437	437
		54,581	42,367
CURRENT ASSETS			
Debtors	13	751,082	718,322
Cash at bank and in hand		17,871	23,657
		768,953	741,979
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	14	(599,464)	(584,127)
NET CURRENT ASSETS		169,489	157,852
TOTAL ASSETS LESS CURRENT LIABILITIES		224,070	200,219
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	(11,905)	(4,370)
PROVISIONS FOR LIABILITIES	16	(29,991)	(40,996)
NET ASSETS EXCLUDING PENSION ASSET		182,174	154,853
Post-employment benefits	17	4,723	3,400
NET ASSETS INCLUDING PENSION ASSET		186,897	158,253
CAPITAL AND RESERVES			
Called up share capital	18	692	692
Share premium account		2,338	2,338
Retained earnings		183,867	155,223
TOTAL EQUITY		186,897	158,253

The notes on pages 13 to 31 are an integral part of these financial statements.

These financial statements on pages 10 to 31 were approved by the board of directors on 22 June 2016 and signed on its behalf by:

J P Scott
Director

National Car Parks Limited

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

	Note	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total Equity £'000
Balance as at 28 March 2014		692	2,338	138,724	141,754
Profit for the financial period		-	-	14,739	14,739
Other comprehensive income for the period		-	-	297	297
Total comprehensive income for the period		**-**	**-**	**15,036**	**15,036**
Charge in relation to management incentive plan	6b	-	-	1,463	1,463
Balance as at 27 March 2015		692	2,338	155,223	158,253
Profit for the financial period		-	-	27,981	27,981
Other comprehensive expense for the period		-	-	(40)	(40)
Total comprehensive income for the period		**-**	**-**	**27,941**	**27,941**
Charge in relation to management incentive plan	6b	-	-	703	703
Balance as at 25 March 2016		692	2,338	183,867	186,897

The notes on pages 13 to 31 are an integral part of these financial statements.

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

1. ACCOUNTING POLICIES

General Information

National Car Parks 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 the management and operation of car parks.

Statement of compliance

The individual financial statements of National Car Parks Limited have been prepared in compliance with the applicable United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") in the United Kingdom.

The Company has early adopted the amendments to FRS 102 which were issued in July 2015.

Summary of significant accounting policies

The following accounting policies have been applied consistently in both the current and preceding period in dealing with items which are considered material in relation to the Company's financial statements. Details of the transition to FRS 102 are disclosed in note 24.

Basis of preparation

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

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

Basis of consolidation

The Company has taken advantage of the exemption granted by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements in the current period. The results of the Company and its subsidiary undertakings are included in the publicly available consolidated financial statements of its intermediate parent company, MEIF II CP Holdings 1 Limited, a company registered in England. Therefore, these financial statements refer to the Company only.

Exemptions for qualifying entities under FRS 102

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

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

(i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;

(ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;

(iii) from disclosing share based payment arrangements, required by paragraphs 26.18(b), 26.19 to 26.21 and 26.23 of FRS 102, concerning its own equity instruments;

(iv) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and

(v) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

Foreign currency

(i) Functional and presentation currency

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

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

1. ACCOUNTING POLICIES (continued)

Turnover

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

Management and operation of car parks (off street car parking)
Where the Company does not bear the significant risks and rewards of operating a car park, turnover comprises the management fee receivable by the Company. In all other cases turnover comprises gross receipts from customers. Disclosed on the face of the profit and loss account are:

(i) "Gross receipts, including site owners' share" which represent total receipts including the car park receipts received by the Company on behalf of principals as well as the management fee retained by the Company; and

(ii) "Site owners' share of gross receipts" which represents the car park receipts payable to the car park site owners.

Other operating income

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

Employee benefits

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

Short term benefits

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

Pensions

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

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

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

Fixed asset investments

Investments held as fixed asset investments are stated at cost less provision for impairment. At each period end, an assessment is carried out to determine whether there is any indication of impairment. Where the recoverable amount is less than the carrying amount, the asset is reduced to the recoverable amount with an impairment loss recognised in the profit and loss account.

1. **ACCOUNTING POLICIES (continued)**

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

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

(ii) Deferred tax

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

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted that are expected to apply in the years in which the timing differences are expected to reverse. Deferred tax is measured on an undiscounted basis.

Operating leases

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

Rental income from operating leases is credited to the profit and loss account on a receivable basis over the term of the lease. Operating lease assets are included within fixed assets and depreciated over their useful lives.

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

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

Properties

(i) Operating properties

Properties which are used for the Company's trading are regarded as operating properties, and are stated in the financial statements at directors' valuation as at March 1998 based on open market value for existing use. Provisions in respect of impairment of properties are charged or released to the profit and loss account. Surpluses and temporary deficits are taken to the revaluation reserve. From 26 December 1999, the Company's policy has been not to revalue tangible fixed assets. Properties that have been revalued before that date retained their book value, in accordance with the transitional rules of Financial Reporting Standard 15.

(ii) Profit or loss on sale of properties

The profit or loss on sale of properties represents the difference between net sale proceeds and the net book value. For properties which are held at valuation, a transfer is made from the revaluation reserve to the profit and loss account reserve of any surplus or deficit in respect of the property sold.

Finance leases

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

1. ACCOUNTING POLICIES (continued)

Tangible fixed assets and depreciation

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

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

Profit or loss on sale of properties

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

Properties

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

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

No depreciation is provided on freehold land.

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

In accordance with Section 16 of FRS 102, depreciation is not provided on investment properties. The properties concerned are not held for consumption but for investment, and the directors consider that systematic annual depreciation would be inappropriate. This accounting policy is deemed necessary for the financial statements to give a true and fair view. The financial effect of the departure from the statutory accounting rules cannot reasonably be quantified as depreciation is only one of the factors reflected in the annual valuation and it cannot be separately identified or quantified.

Other assets

Other assets are stated in the financial statements at cost less accumulated depreciation.

Depreciation is provided on a straight-line basis on other assets over their estimated useful lives, at the following annual rates:

Car park build costs	-	10% to 25%
Equipment, fixtures and fittings	-	10% to 25%
Motor vehicles	-	25%
Computer equipment and software	-	33.33%

Where assets' useful lives are shortened by the terms of contracts to which they are related, depreciation is accelerated accordingly. All of the above categories are classified within fixtures, fittings, plant and machinery in note 12 to the financial statements.

Impairment of tangible assets is recognised in profit and loss account and included under 'Other operating (losses)/gains'.

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

Maintenance and repairs of owned properties

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

Maintenance and repairs of leased properties

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

1. ACCOUNTING POLICIES (continued)

Provisions for liabilities

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

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

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

Financial instruments

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

(i) Financial assets

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

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

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

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

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

(ii) Financial liabilities

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

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

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

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

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

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

(iii) Offsetting

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

Management incentive plan

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

1. ACCOUNTING POLICIES (continued)

Critical judgements and estimates in applying the accounting policies

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

(i) Impairment of goodwill (note 11)

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

(ii) Provisions (note 18)

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

(iii) Defined benefit pension scheme (note 18)

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

2. TURNOVER

Class of business	2016 £'000	2015 £'000
Car parking	189,920	186,262
Rental income	12,783	12,474
	202,703	198,736

(a) All turnover during the period derived from activities in the United Kingdom and from two classes of business, car parking and rental income.

(b) Part of the company's turnover is derived from the management of car parks on behalf of their principal owners. Car parking turnover is stated after deducting car park receipts paid over to principals and, therefore, only includes the management fee retained by the company in these cases. Disclosed on the face of the profit and loss account are:

(i) "Gross receipts, including site owners' share" which represents total receipts including the car park receipts received by the company on behalf of principals as well as the management fee retained by the company; and

(ii) "Site owners' share of gross receipts" which represents the car park receipts payable to the car park site owners.

3. OTHER OPERATING INCOME

	2016 £'000	2015 £'000
Compensation income	1,600	2,123

Compensation income is related to payments for early removal or termination of a lease on a car park site.

4. OPERATING PROFIT

Operating profit is stated after charging:	2016 £'000	2015 £'000
Auditors' remuneration for audit services	130	92
Depreciation of owned assets	7,555	8,515
Depreciation of leased assets	1,121	424
Loss on disposal of fixed assets	-	863
Operating lease rentals - land and buildings	121,728	123,391
Operating lease rentals - other	1,050	991
After crediting:		
Reversal of fixed assets impairment	-	5,694

Operating properties are assessed for potential impairment based upon discounted future cash flows. Following these reviews of the value of the portfolio of properties at 25 March 2016, an impairment of £nil (2015: credit of £5,694,000) was recognised.

The impairment reversal of £5,694,000 in 2015 relates to a portfolio of sites. At 30 March 2012 an impairment of £9,497,000 was recognised in relation to this portfolio. At 27 March 2015 there had been an improvement in the value of the portfolio primarily due to substantial reductions achieved to the rateable value of a number of the properties, with no significant change to other assumptions including revenue and other cost growth rates or discount rate used.

5. REMUNERATION OF DIRECTORS

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

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

Highest paid director	2016 £'000	2015 £'000
Salary and benefits in kind	311	274
Bonus	204	120
Employers pension contribution	24	24
Share-based management incentive plan (note 6b)	211	439
	750	857

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

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

6. EMPLOYEES

(a) Employee numbers and cost

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

	2016	2015
Directors	6	5
Managerial and clerical staff	181	169
Operational staff	943	964
	1,130	1,138

The aggregate payroll costs of these persons were as follows:	2016 £'000	2015 £'000
Wages and salaries	24,546	23,849
Social security costs	2,772	2,520
Other pension costs	497	558
Redundancy costs	64	263
Share-based management incentive plan (note 6b)	703	1,463
	28,582	28,653

Payroll costs recharged by the Company to National Car Parks Manchester Limited for the period totalled £829,000 (2015: £726,000). Other pension costs represent £125,000 (2015: £141,000) in respect of the NCP defined benefit scheme and £372,000 (2015: £417,000) in respect of defined contribution schemes.

(b) Management incentive plan

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

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

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

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

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

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

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

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

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

7. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2016 £'000	2015 £'000
Dividends received	2,644	-
	2,644	-

The income from shares in group undertakings was received from National Car Parks Manchester Limited.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016 £'000	2015 £'000
Group interest receivable	16,763	15,482
Bank interest receivable	147	173
Other finance income(note 17(c))	100	100
	17,010	15,755

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £'000	2015 £'000
Finance leases	497	243
Notional interest on provisions (note 16)	1,334	1,394
Notional interest on creditors due after more than one year	81	97
Other	15	26
	1,927	1,760

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

10. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Tax expense included in profit and loss account

	2016 £'000	2015 £'000
Current tax:		
UK Corporation tax on profits for the period	-	-
Adjustment in respect of prior periods	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	20	20
Total deferred tax (note 16)	20	20
Tax charge on loss on ordinary activities	20	20

(b) Tax expense included in other comprehensive income

	2016 £'000	2015 £'000
Deferred tax:		
Origination and reversal of timing differences	240	303
Total tax expense included in other comprehensive income	240	303

10. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

(c) Factors affecting tax charge for the current period

The tax assessed for the period is different from that resulting from applying the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below:

	2016 £'000	2015 £'000
Profit on ordinary activities before taxation	28,001	14,759
Tax charge at 20% (2015: 21%) thereon:	5,602	3,099
Effects of:		
Expenses not deductible for tax purposes	133	528
Group relief	(6,107)	(3,818)
Capital allowances in excess of depreciation	901	1,387
Impairment	-	(1,196)
UK dividend income	(529)	-
Movement in deferred tax	20	20
Total tax charge for the period	20	20

A deferred tax asset has not been recognised as there is insufficient evidence that the asset will be recovered. The unrecognised deferred tax asset would be recovered should the Group have future profits to offset against this amount and the other tax losses available within the Group.

(d) Factors that may affect the future tax charge

Deferred tax has not been provided on revaluations of fixed assets, nor on the gains realised that have been rolled over into the acquisition cost of replacement assets. It is not currently envisaged that any tax will become payable in relation to the gains in these assets. Capital gains rolled over but not provided amount to £21,000 (2015: £22,000).

11. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Long leasehold properties £'000	Short leasehold properties £'000	Fixtures, fittings, plant and machinery £'000	Total £'000
Cost and valuation					
At 27 March 2015	18	1,748	22,760	164,150	188,676
Addition	-	-	131	20,117	20,248
Transfer from fellow subsidiary	-	-	642	-	642
At 25 March 2016	18	1,748	23,533	184,267	209,566
Accumulated depreciation					
At 27 March 2015	-	141	12,031	134,574	146,746
Charge for the period		2	459	8,215	8,676
At 25 March 2016	-	143	12,490	142,789	155,422
Net book value					
At 25 March 2016	18	1,605	11,043	41,478	54,144
At 27 March 2015	18	1,607	10,729	29,576	41,930

11. TANGIBLE FIXED ASSETS (continued)

The historical cost of long leasehold properties at 25 March 2016 was £1.7 million (27 March 2015: £1.7 million).

Land included in long leasehold property and short leasehold property is depreciated over the full term of the lease.

Included in long leasehold properties is land valued at £1.7 million (27 March 2015: £1.7 million). Included in short leasehold properties is land valued at £0.9 million (27 March 2015: £0.9 million).

Impairment

Where impairment indicators are present, properties are assessed for potential impairment based upon discounted future cash flows at each period end, adopting a value in use methodology. As a result of the review, an impairment of £nil (2015: reversal of £5,694,000) has been recognised.

The impairment reversal in the previous period related to a portfolio of sites. At 30 March 2012 an impairment of £9,497,000 was recognised in relation to this portfolio. There has been an improvement in the value of the portfolio primarily due to substantial reductions achieved to the rateable value of a number of the properties.

The net carrying amount of assets held under finance leases included in fixtures, fittings, plant and machinery is £10,744,000 (2015: £259,000).

12. FIXED ASSET INVESTMENTS

	£'000
Cost	
At 27 March 2015 and 25 March 2016	3,675
Provision for impairment	
At 27 March 2015 and 25 March 2016	3,238
Net book value	
At 27 March 2015 and 25 March 2016	437

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

Shares in group companies represent the cost of shares. Provisions are recognised for any impairment in investment values. The principal subsidiaries of the Company at 25 March 2016 are listed below. All of the subsidiary Companies are incorporated in Great Britain, registered in England and the class of shares is ordinary in each case, except for National Car Parks Manchester Limited where the class of share is "A" ordinary.

Name	Country of incorporation or principal business address	Principal activity	Class of share	Holding
National Car Parks Manchester Limited	England	Car parking	"A" Ordinary	75%
Park and Ride Limited	England	Car parking	Ordinary	100%
George Watt Limited	England	Car parking	Ordinary	100%
John Matthews Properties Limited	England	Dormant	Ordinary	100%
Regent Lion Properties Limited	England	Dormant	Ordinary	100%
Parking Management Limited	England	Dormant	Ordinary	100%
Finsbury Square Car Park Limited	England	Dormant	Ordinary	100%
Beardmore Properties Limited	England	Dormant	Ordinary	100%
Hanmead Limited	England	Dormant	Ordinary	100%
M. A. C. Car Parks (UK) Limited	England	Dormant	Ordinary	100%
Motor Lodge Developments Limited	England	Dormant	Ordinary	100%
National Car Park Maintenance Limited	England	Dormant	Ordinary	100%
Parking Security Services Limited	England	Dormant	Ordinary	100%
Parking Management (Investments) Limited	England	Dormant	Ordinary	100%
NCP Limited	England	Dormant	Ordinary	100%
Smalton Investments Limited	England	Dormant	Ordinary	100%
Townway Construction and Development	England	Dormant	Ordinary	100%
Stepbranch Limited	England	Dormant	Ordinary	100%
Europarks Limited	England	Dormant	Ordinary	100%
Europarks UK Limited	England	Dormant	Ordinary	100%
NCP Nominees Limited	England	Dormant	Ordinary	100%

12. FIXED ASSET INVESTMENTS (continued)

National Car Parks Manchester Limited ("NCP Manchester")

The Company owns 7,500 "A" ordinary shares of £1 each, representing 75% of NCP Manchester's called up share capital and entitling the company to 55% of the voting rights, 55% of the capital returned on a winding up and 55% of dividends paid. The Company's share of NCP Manchester's pre- and post-tax profits approximates to its 75% share of the total share capital.

The other shareholders, the Council of the City of Manchester and its wholly-owned subsidiary, Manchester Parking Limited, own 2,000 "B" ordinary and 500 "C" ordinary shares respectively, representing 25% of the share capital of NCP Manchester, and entitling them to 45% of the voting rights, 45% of the capital returned on a winding up and 45% of dividends paid.

13. DEBTORS

	25 March 2016 £'000	27 March 2015 £'000
Amounts due within one year		
Trade debtors	7,810	3,654
Amounts owed by group undertakings	702,081	677,463
Other debtors	10,348	4,360
Prepayments and accrued income	30,843	32,845
	751,082	718,322

Amounts owed by Group undertakings include £227,615,000 (27 March 2015: £210,875,000) which are interest bearing at rates between 6.5% and 9.9%, with the other amounts non-interest bearing. All amounts are repayable on demand. It includes £374,000 (27 March 2015: £216,000) due from National Car Parks Manchester Limited.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	25 March 2016 £'000	27 March 2015 £'000
Trade creditors	3,829	4,893
Amounts owed to Group undertakings	524,176	516,341
Obligations under finance leases	2,444	501
Other loans	484	254
Other taxation and social security	2,714	3,351
Other creditors	6,492	1,563
Accruals and deferred income	59,325	57,224
	599,464	584,127

Amounts due to Group undertakings are non interest bearing, repayable on demand and are unsecured.

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

	25 March 2016 £'000	27 March 2015 £'000
Obligations under finance leases	8,570	277
Other loans	1,940	1,774
Other creditors	1,396	2,319
	11,905	4,370

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

Amounts falling due between one and five years

	25 March 2016 £'000	27 March 2015 £'000
Obligations under finance leases	8,570	277
Other loans	1,637	1,204
Other creditors	1,396	2,319
	11,602	3,800

Amounts falling due after five years

	25 March 2016 £'000	27 March 2015 £'000
Obligations under finance leases	-	-
Other loans	303	570
Other creditors	-	-
	303	570

16. PROVISIONS FOR LIABILITIES

The Company had the following provisions during the year:

	Dilapidations £'000	Onerous contracts £'000	Deferred taxation £'000	Total £'000
At 27 March 2015	24,044	16,272	680	40,996
(Credited) / charged to profit and loss account	(1,962)	(4,964)	20	(6,906)
Charged to other comprehensive income	-	-	240	240
Utilised during the year	(2,408)	(3,265)	-	(5,673)
Unwind of discount	615	719	-	1,334
At 25 March 2016	20,289	8,762	940	29,991

Dilapidations

The provisions for dilapidations are expected to be utilised over the life of the property leases. It is expected that the majority of the other provisions will be utilised over one to five years. As the dilapidations provisions will be utilised over a number of years, the provisions are discounted to net present value.

Onerous contracts

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

16. PROVISIONS FOR LIABILITIES (continued)

Deferred tax

The provision for deferred tax consists of the following deferred tax liabilities (assets):

	2016 £'000	2015 £'000
Post-employment benefits	940	680
	940	680

Deferred tax liability relating to pension scheme asset

	2016 £'000	2015 £'000
At start of period	680	357
Deferred tax charge in the profit and loss account	20	20
Deferred tax debited to other comprehensive income	240	303
At end of period	940	680

17. POST-EMPLOYMENT BENEFITS

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

The results of the formal actuarial valuation as at 5 April 2015 were updated to the accounting date by an independent qualified actuary in accordance with Section 28 of FRS 102 'Employee benefits'. The funding target is for the scheme to hold assets equal in value to the accrued benefits based on projected salaries. If there is a shortfall against this target, then the Company and Trustees will agree on deficit contributions to meet this deficit over a period.

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

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

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

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

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

17. POST-EMPLOYMENT BENEFITS

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

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

(d) The amounts recognised in other comprehensive income:

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

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

The cumulative amount recognised from 31 March 2007 to 25 March 2016 included in other comprehensive income is a loss of £5.6 million.

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

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

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

18. CALLED-UP SHARE CAPITAL

	25 March 2016 £'000	27 March 2015 £'000
Authorised:		
7,501,000 (27 March 2015: 7,501,000) ordinary shares of 10p each	750	750
Allotted and fully paid:		
6,920,093 (27 March 2015: 6,920,093) ordinary shares of 10p each	692	692

19. CONTINGENT LIABILITIES

Under a Group registration the Company is jointly and severally liable for value added tax due by other Group Companies. At 25 March 2016, this contingent liability amounted to £1.1million (2015: £1.0 million). Contingent guarantees are disclosed in note 20.

At 25 March 2016 the Company had ongoing commercial agreements or disputes with certain landlords and counterparties. The directors believe that it is unlikely that any of these matters will have a material effect on the Company's financial position.

20. CAPITAL AND OTHER COMMITMENTS

(i) Capital commitments are as follows:

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

(ii) Minimum annual commitments under non-cancellable operating leases were as follows:

	25 March 2016 £'000	27 March 2015 £'000
Expiry date:		
Not later than one year	8,562	286
Later than one year and not later than five years	10,424	28,996
Later than five years	1,444,428	1,478,133
	1,463,414	1,507,415

The Company is also obliged to make additional performance-related rental payments on a number of sites. In the period ended 25 March 2016 these additional payments amounted to £46.4 million (2015: £49.0 million).

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

Financial guarantees

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

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

Facilities agreement and related debenture and cross guarantees

On 19 March 2007, the £385 million senior facilities agreement with RBC and £44 million junior facilities agreement were replaced with a new £500 million senior facility agreement with RBC. On 9 January 2012 a number of Group companies granted legal charges on certain of their properties to RBC as further security for the facility.

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

Tax deed guarantees

In 2002 Primepanel Limited, a fellow Group company, entered into a tax deed with a third party, Bishopsgate Parking Limited ("Bishopsgate"). A number of Group companies guaranteed Primepanel Limited's obligations under this deed.

Lease and remedial works guarantees

In 2002, National Car Parks Limited ("NCP"), a fellow group company, entered into standard security documents governed by Scottish law in favour of RBS (as Trustee) with respect to four properties in Scotland, and also entered into a fixed charge over a bank account in favour of Bishopsgate (as landlord under various leases) to secure its obligation to carry out certain remedial works to the properties held under the leases.

On 8 September 2003, NCP entered into two renewal lease agreements in favour of Bishopsgate and Bishopsgate Parking (No.2) Limited ("Bishopsgate No.2"), a third party, in respect of leases over various premises. A number of group companies guaranteed NCP's obligations under these agreements. On 23 September 2003, these companies entered into a lease guarantee under which they are liable for the payment of the rents and other obligations of NCP as tenant under various leases.

On 17 November 2003, NCP entered into a charge over accounts and deposit agreement in favour of Bishopsgate No. 2, and a deed of covenant in respect of remedial works in favour of Bishopsgate No. 2. This deed was guaranteed by a number of group companies.

21. FINANCIAL INSTRUMENTS

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

Financial assets	Note	25 March 2016 £'000	27 March 2015 £'000
Measured at fair value through profit and loss		-	-
Measured at amortised cost			
- Trade debtors	13	7,810	3,654
- Amounts owed by group undertakings	13	702,081	677,463
- Other debtors	13	10,348	4,360
- Cash at bank and in hand		17,871	23,657
		738,110	709,134
Financial liabilities			
Measured at fair value through profit and loss		-	-
Measured at amortised cost			
- Other loans	14/15	2,423	2,028
- Amounts owed to group undertakings	14	524,176	516,341
- Obligations under finance leases	14/15	11,014	778
- Trade creditors	14	3,829	4,893
- Other creditors	14/15	7,888	3,882
		549,330	527,922

22. RELATED PARTY TRANSACTIONS

Directors make any significant trading purchases from the Company and other Group undertakings on a normal, arms-length basis.

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

In addition to the information provided in notes 7 and 13, the following related party transactions have taken place during the period with the Company's partly owned subsidiary, National Car Parks Manchester Limited:

	28 March 2015 to 25 March 2016 £'000	29 March 2014 to 27 March 2015 £'000
Fixed rental costs charged to NCP Manchester	6,842	6,744
Payroll costs charged to NCP Manchester (Note 6)	829	726
Other costs charged to NCP Manchester	239	455

23. ULTIMATE PARENT AND CONTROLLING PARTY

The Company's ultimate parent and ultimate controlling party is Macquarie European Infrastructure Fund II, an English limited partnership with its registered office at 3rd Floor, 10 Lefebvre Street, St Peter Port, Guernsey, GY1 2PE. The Company's immediate parent company and controlling party is National Parking Corporation Limited, a company incorporated and registered in England.

The largest and smallest group into which the financial statements of the Company for the period ended 25 March 2016 are consolidated is MEIF II CP Holdings 1 Limited, which are available from Saffron Court, 14b St Cross Street, London, EC1N 8XA.

24. TRANSITION TO FRS 102

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

Transition exemptions

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

(i) The Company have taken advantage of the transition exemption under paragraph 35.10(p) of FRS 102 to continue to recognise the existing lease incentives at the transition date on the same basis as previous UK GAAP. Under previous UK GAAP operating lease incentives, including rent free periods and fit-out contributions, were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent. FRS 102 requires that such incentives to be spread over the lease period.

Reconciliations

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

Reconciliation of profit for the year

	Notes	Company 2015 £'000
Profit for the period as previously reported under UK GAAP		14,819
- Defined benefit scheme	(i)	(100)
- Defined benefit scheme tax adjustment	(ii)	20
Profit for the period reported under FRS 102		14,739

Reconciliation of other comprehensive income for the year

		Company 2015 £'000
Other comprehensive (expense) for the period previously reported under UK GAAP		(1,063)
- Defined benefit scheme	(i)	1,700
- Deferred taxation	(ii)	(340)
Other comprehensive income for the period reported under FRS 102		297

Reconciliation of equity

	Note	27 March 2015 Company £'000	28 March 2014 Company £'000
Total equity previously reported under UK GAAP		156,973	141,754
- Defined benefit scheme	(i)	1,600	-
- Deferred taxation	(ii)	(320)	-
Total equity reported under FRS 102		158,253	141,754

24. TRANSITION TO FRS 102 (continued)

Notes to the reconciliations

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

(i) Defined benefit scheme

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

(ii) Deferred taxation

As a result of the increase in the post-employment benefit asset discussed above, there is a reduction to the deferred tax charge for the year of £20,000 and an increase in the deferred tax liability at 27 March 2015 of £320,000 at a rate of 20%.

Other adjustments arising on transition to FRS 102

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

(a) Statement of cash flows

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

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

Under old UK GAAP the Company recognised movements in the fair value of investment properties in the statement of total recognised gains and losses, unless a deficit was expected to be permanent. FRS 102 requires movements in the fair value of investment properties to be recognised in the statement of comprehensive income. Accordingly, at the transition date, the revaluation reserve deficit of £3,743,000 was transferred to retained earnings.

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

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