

Company number 6133821

MEIF II CP Holdings 3 Limited

Report and financial statements

For the period from 26 March 2011 to 30 March 2012

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MEIF II CP Holdings 3 Limited

REPORT AND FINANCIAL STATEMENTS

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MEIF II CP Holdings 3 Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J P Walbridge
G I W Parsons
J S J Milne
J L Cooper
J P Scott
A Bell

COMPANY SECRETARY

J S J Milne

REGISTERED OFFICE

Ropemaker Place
28 Ropemaker Street
London EC2Y 9HD

INDEPENDENT AUDITORS

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

MEIF II CP Holdings 3 Limited**DIRECTORS' REPORT**

The directors present their report and the audited financial statements for MEIF II CP Holdings 3 Limited (the Company) for the period from 26 March 2011 to 30 March 2012

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of an investment holding company. The directors do not envisage any change during the forthcoming period.

BUSINESS REVIEW

During the period the Company has made a loss before tax of £817.0 million (period ended 25 March 2011: loss of £259.9 million). The loss before tax originated principally from an amount written off debts due from subsidiaries, external debt and intercompany interest payable that exceeds intercompany interest receivable during the period, and the costs of the financial restructuring completed after the end of the period.

As at 30 March 2012, the Company had net liabilities of £1,145.3 million (25 March 2011: net liabilities of £328.3 million). However, had the financial restructuring completed by the Group in April been completed by 30 March 2012, the Company's balance sheet would have shown net assets of £64.2 million, as detailed in note 19 to these financial statements.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly the principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 5 to 7 of the Group's annual report, which does not form part of this report.

The directors of MEIF II CP Holdings 1 Limited manage the Group's operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Group which includes the Company, is discussed on pages 2 to 5 of the Group's annual report, which does not form part of this report.

GOING CONCERN AND FINANCIAL RESTRUCTURING

The directors have received confirmation from MEIF II CP Holdings 1 Limited that it will, to the extent that it is able, provide such financial assistance to the Company to allow the Company to meet liabilities as they fall due for a period of twelve months from the date of approval of these financial statements.

A full and detailed assessment of going concern has been carried out by the directors in the year.

As a result of the ongoing difficult economic situation and trading environment, the Group was required to seek (and successfully obtained) the consent of its senior lenders and swap counterparties to a temporary deferral of its September 2011 and March 2012 financial covenant tests and certain payments that would otherwise have fallen due under the relevant facilities.

On 27 April 2012, the Group successfully completed negotiations with its shareholder, lenders and landlords, which the directors believe has placed the Group on a sustainable capital structure. The financial restructuring included a waiver of all known (or ascertainable) defaults under the Group's debt facilities. Details are provided in note 19 to these financial statements.

As part of the financial restructuring process detailed Group cash flow forecasts have been produced for a period of 18 months from the date of this report and a number of downside business case scenarios have been used as sensitivities. Based on these forecasts, the directors have concluded that preparing the financial statements on a going concern basis is appropriate.

FINANCIAL RISK MANAGEMENT

The directors have considered the effect of risk on the Company's business. The principal risks considered include credit risk, liquidity risk and interest rate cash flow risk. The Company does not use derivative financial instruments.

Credit risk

The Company's principal financial assets are intercompany debtors. The Company's credit risk is primarily attributable to its intercompany 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 Company has a significant concentration of credit risk, with debtors comprising only intercompany balances.

MEIF II CP Holdings 3 Limited**DIRECTORS' REPORT (continued)****FINANCIAL RISK MANAGEMENT (continued)****Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of cash and short-term and long-term debt finance (available to the Group as a whole)

Interest rate cash flow risk

Interest bearing liabilities mainly consist of long term debt as detailed in note 12. The interest rates payable are either fixed or linked to LIBOR rates. The Group uses interest rate swaps to protect against significant fluctuations in interest rates.

As part of the Group financial restructuring completed after the period end, the Company has purchased an interest rate cap at 2% plus the agreed margin on £105 million of its debt.

DIVIDENDS

The directors do not recommend the payment of a dividend (period ended 25 March 2011: £nil)

DIRECTORS

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

G I W Parsons

J P Walbridge

T J Bolot

Appointed 9 December 2011, resigned 25 June 2012

J S J Milne

Appointed 27 April 2012

J L Cooper

Appointed 27 April 2012

J P Scott

Appointed 27 April 2012

A Bell

Appointed 21 June 2012

Gordon Parsons, Jonathan Walbridge and Jonathon Milne 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.

DIRECTORS' INDEMNITIES

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

MEIF II CP Holdings 3 Limited

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO AUDITORS

Each person 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 director has 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

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



J P Scott
Director
29 June 2012

MEIF II CP Holdings 3 Limited**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEIF II CP HOLDINGS 3 LIMITED**

We have audited the financial statements of MEIF II CP Holdings 3 Limited for the period ended 30 March 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 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.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 March 2012 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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



Christopher Burns (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 June 2012

MEIF II CP Holdings 3 Limited**PROFIT AND LOSS ACCOUNT****For the period from 26 March 2011 to 30 March 2012**

	Note	26 March 2011 to 30 March 2012 £'000	27 March 2010 to 25 March 2011 £'000
Exceptional costs of financial restructuring	5	(10,129)	-
Amounts written off debtors	9	(803,320)	-
OPERATING LOSS		(813,449)	-
Interest receivable and similar income	5	133,215	113,448
Interest payable and similar charges	6	(136,764)	(118,921)
Amounts written off investments	8	-	(254,403)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(816,998)	(259,876)
Tax charge on loss on ordinary activities	7	-	-
LOSS FOR THE FINANCIAL PERIOD	14	(816,998)	(259,876)

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

There were no recognised gains or losses in the period other than the loss for the financial period. Accordingly, no statement of total recognised gains and losses is presented

All of the activities of the Company are continuing

MEIF II CP Holdings 3 Limited**BALANCE SHEET**
As at 30 March 2012

	Note	30 March 2012 £'000	25 March 2011 £'000
FIXED ASSETS			
Investments	8	-	-
CURRENT ASSETS			
Cash at bank		128	9,878
Debtors	9	202,009	872,114
		<u>202,137</u>	<u>881,992</u>
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	10	<u>(1,347,464)</u>	<u>(747,587)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,145,327)</u>	<u>134,405</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(1,145,327)</u>	<u>134,405</u>
CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	-	(462,734)
NET LIABILITIES		<u><u>(1,145,327)</u></u>	<u><u>(328,329)</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	10	10
Share premium account	14	990	990
Profit and loss account	14	(1,146,327)	(329,329)
TOTAL SHAREHOLDERS' DEFICIT	15	<u><u>(1,145,327)</u></u>	<u><u>(328,329)</u></u>

Details of the proforma balance sheet following the financial restructuring completed on 27 April 2012 are shown in note 19

The financial statements on pages 6 to 16 were approved by the board of directors on 29 June 2012 and signed on its behalf by



J P Scott
Director

MEIF II CP Holdings 3 Limited**NOTES TO THE FINANCIAL STATEMENTS****For the period from 26 March 2011 to 30 March 2012****1 ACCOUNTING POLICIES****Basis of accounting**

The following accounting policies have been applied consistently in both the current and preceding periods in dealing with items which are considered material in relation to the Company's financial statements. These financial statements are prepared on the going concern basis, under the historical cost accounting convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below.

Basis of preparation - going concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its liabilities as they fall due for the foreseeable future.

The directors have received confirmation from MEIF II CP Holdings 1 Limited that it will, to the extent that it is able, provide such financial assistance to the Company to allow the Company to meet liabilities as they fall due for a period of twelve months from the date of approval of these financial statements.

At 30 March 2012, the Company had external bank borrowings of £472.6 million which are subject to compliance with agreed financial covenants. As a result of the ongoing difficult economic situation and trading environment, the Company was required to seek (and successfully obtained) the consent of its senior lenders and swap counterparties to a temporary deferral of its September 2011 and March 2012 financial covenant tests and certain payments that would otherwise have fallen due under the relevant facilities.

On 27 April 2012, the Group successfully completed negotiations with its shareholder, lenders and landlords, which the directors believe has placed the Group on a sustainable capital structure. The restructuring included a waiver of all known (or ascertainable) defaults under the Group's debt facilities. Details are provided in note 19 to these financial statements.

As part of the financial restructuring process detailed Group cash flow forecasts have been produced for a period of 18 months from the date of this report and a number of downside business case scenarios have been used as sensitivities. Based on these forecasts, the directors have concluded that continuing to prepare the financial statements on a going concern basis is appropriate.

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.

Cash flow statement

Under the provision of Financial Reporting Standard 1 'Cash flow statements' (revised 1996), the Company has not presented a cash flow statement, as its intermediate parent company, MEIF II CP Holdings 1 Limited, a company registered in England, prepares publicly available consolidated financial statements which include the results of the Company and contain a cash flow statement.

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.

Taxation

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

MEIF II CP Holdings 3 Limited**NOTES TO THE FINANCIAL STATEMENTS****For the period from 26 March 2011 to 30 March 2012****1 ACCOUNTING POLICIES (continued)****Debt**

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

2 AUDITORS' REMUNERATION

The auditors' remuneration for the audit of the Company's financial statements of £2,000 (period ended 25 March 2011 £2,000) was borne by National Car Parks Limited, another company within the Group.

3 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

None of the directors received any emoluments during the current or preceding period for their services to the Company. One director received emoluments totalling £118,000 (2011 £nil) for their services to a subsidiary company.

There were no employees of the Company during either period.

4 EXCEPTIONAL ITEMS – COSTS OF FINANCIAL RESTRUCTURING

As disclosed in note 19, during the period ended 30 March 2012 the Group undertook a major financial review exercise, as part of the renegotiation of its financial commitments, resulting in costs of £10,129,000 (period ended 25 March 2011 £nil) being incurred. These costs have been charged to the profit and loss account.

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	26 March 2011 to 30 March 2012 £'000	27 March 2010 to 25 March 2011 £'000
Interest receivable from Group undertakings	133,215	113,429
Bank interest receivable	-	19
	<u>133,215</u>	<u>113,448</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	26 March 2011 to 30 March 2012 £'000	27 March 2010 to 25 March 2011 £'000
Interest payable to Group undertakings	106,340	88,308
Bank interest payable	28,758	28,981
Amortisation of debt issue costs	1,666	1,632
	<u>136,764</u>	<u>118,921</u>

MEIF II CP Holdings 3 Limited**NOTES TO THE FINANCIAL STATEMENTS****For the period from 26 March 2011 to 30 March 2012****7 TAX ON LOSS ON ORDINARY ACTIVITIES****(a) Analysis of tax on loss on ordinary activities**

	26 March 2011 to 30 March 2012 £'000	27 March 2010 to 25 March 2011 £'000
Current tax		
United Kingdom corporation tax on loss of the period	-	-

(b) Factors affecting the tax 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 26% (period ended 25 March 2011 28%) The differences are explained below

	26 March 2011 to 30 March 2012 £'000	27 March 2010 to 25 March 2011 £'000
Loss on ordinary activities before taxation	(816,998)	(259,876)
Tax at 26% (period ended 25 March 2011 28%) thereon	212,419	72,765
Effects of		
Amounts written off investments	-	(71,233)
Amounts written off debtors	(208,863)	-
Group relief	(3,556)	(1,532)
Current tax for the period	-	-

A deferred tax asset has not been recognised in respect of the timing differences relating to tax losses as there is insufficient evidence that the asset will be recovered The amount of the asset not recognised is £605,000 (25 March 2011 £681,000)

MEIF II CP Holdings 3 Limited

NOTES TO THE FINANCIAL STATEMENTS

For the period from 26 March 2011 to 30 March 2012

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
Cost	
At 30 March 2012 and 26 March 2011	296,951
Provision for Impairment	
At 30 March 2012 and 26 March 2011	296,951
Net book value	
At 30 March 2012 and 26 March 2011	-

At the period end a full impairment review was carried out. This adopted a value in use methodology, based upon cash flow forecasts with a discount rate of 9.25% and a long term growth rate subsequent to year five of 2.25%. As a result of the review an impairment of £nil (period ended 25 March 2011: £254,403,000) has been recognised.

The Company has investments in the following principal subsidiary undertakings. To avoid a statement of excessive length, only details of active undertakings have been included.

	Country of incorporation or principal business address	Principal activity	Class of share	Holding %
MEIF II CP SPV1 Limited+	England	Finance Company	Ordinary	100
MEIF II CP SPV2 Limited+	England	Finance Company	Ordinary	100
Parking Holdings Limited+	England	Holding Company	Ordinary	100
Oval (2042) Limited	England	Holding Company	Ordinary	100
Oval (2041) Limited	England	Holding Company	Ordinary	100
PIHL (2003) Limited	England	Holding Company	Ordinary	100
Primepanel Limited	England	Holding Company	Ordinary	100
Trendcycle Limited	England	Holding Company	Ordinary	100
Statusaward Limited	England	Holding Company	Ordinary	100
Pointspec Limited	England	Holding Company	Ordinary	100
Boardpost	England	Holding Company	Ordinary	100
National Car Parks Group Limited	England	Holding Company	Ordinary	100
National Car Parks Limited	England	Car parking	Ordinary	100
National Car Parks Manchester Limited	England	Car parking	"A" Ordinary	75
Park & Ride Limited	England	Car parking	Ordinary	100
George Watt Limited	England	Car parking	Ordinary	100
NCP London Central City Limited	England	Property trading	Ordinary	100
NCP London Soho Limited	England	Property trading	Ordinary	100
NCP London West Limited	England	Property trading	Ordinary	100
NCP London Central City Development Limited	England	Property trading	Ordinary	100
NCP London West Development Limited	England	Property trading	Ordinary	100
NCP North West Limited	England	Property trading	Ordinary	100
NCP North East Limited	England	Property trading	Ordinary	100
NCP South England Limited	England	Property trading	Ordinary	100
NCP South East and East Anglia Limited	England	Property trading	Ordinary	100
NCP East Anglia Development Limited	England	Property trading	Ordinary	100
NCP South West & Wales Limited	England	Property trading	Ordinary	100
NCP Midlands Limited	England	Property trading	Ordinary	100
NCP Midlands Development Limited	England	Property trading	Ordinary	100
NCP Empire No. 2 Limited	England	Property trading	Ordinary	100
NCP Empire No. 3 Limited	England	Property trading	Ordinary	100

+ Held directly by the Company

MEIF II CP Holdings 3 Limited**NOTES TO THE FINANCIAL STATEMENTS****For the period from 26 March 2011 to 30 March 2012****9 DEBTORS**

	30 March 2012 £'000	25 March 2011 £'000
Amounts owed by Group undertakings	202,009	872,114

Amounts owed by Group undertakings include £1,005,220,000 (2011 £872,005,000) which are interest bearing at the fixed rate of 15% and are repayable on demand

A provision of £803,320,000 (2011 £nil) has been recognised in the period, to reflect the fact that this balance was waived in full as part of the financial restructuring completed on 27 April 2012, as detailed in note 19

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 March 2012 £'000	25 March 2011 £'000
Amounts owed to Group undertakings	840,770	725,185
Interest accrual	37,295	22,402
Bank loans (note 12)	469,399	-
	<u>1,347,464</u>	<u>747,587</u>

Amounts owed to Group undertakings are unsecured and include £802,451,000 (2011 £696,112,000) which are interest bearing at the fixed rate of 15% and are repayable on demand

As part of the financial restructuring completed on 27 April 2012, as detailed in note 19, the interest bearing amount owed to Group undertakings, all accrued interest and part of the bank loan were waived

11 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30 March 2012 £'000	25 March 2011 £'000
Bank loans (note 12)	-	462,734

12 BORROWINGS**Bank loans – Royal Bank of Canada ("RBC") facilities**

During the period the Company had the following RBC loan facilities

Facility	Facility amount £million	Interest rate payable per annum	Termination Date	Maximum balance during period £ million	Balance at 30 March 2012 £ million	Balance at 25 March 2011 £ million
Senior facilities						
"Facility A"	425.0	LIBOR plus a margin of 1.5%	19 March 2014	425.0	421.8	420.1
"Facility B"	17.9	LIBOR plus a margin of 1.5%	19 March 2014	17.9	17.9	17.9
"Revolving facility"	25.0	LIBOR plus a margin of 1.5%	19 March 2014	24.7	24.7	24.7
Super senior facility						
	6.0	LIBOR plus a margin of 10%	30 April 2012	5.0	5.0	-
					<u>469.4</u>	<u>462.7</u>

MEIF II CP Holdings 3 Limited**NOTES TO THE FINANCIAL STATEMENTS****For the period from 26 March 2011 to 30 March 2012****12 BORROWINGS (continued)****RBC senior facilities (continued)**

On 19 March 2007, a new senior facility totalling £500 million was taken out. £425 million of these facilities (representing "Facility A") were drawn down by the Company and were principally used to acquire 100% of the issued share capital of Parking Holdings Limited, which indirectly owned the NCP group of companies.

On 19 March 2007 £6.0 million was drawn down on the RBC Facility B by the Company and was used to repay part of the commercial mortgage facility, which is an agreement that Primepanel Limited, a fellow group company, entered into for £72,886,511 on 23 August 2004 with The Royal Bank of Scotland plc. A further £11.8 million was drawn down on 25 June 2008 to finance capital expenditure for the group. On 15 January 2009 and 29 December 2009 £15 million and £5 million respectively were drawn down from the RBC revolving facility and used as working capital for the group. On 29 June 2010 the remaining £4.7 million was drawn down from the RBC revolving facility and used as working capital for the group.

The RBC senior facilities are secured by a fixed and floating charge over the Group's assets. The Group incurred total issue costs of £11.5 million in respect of the senior facilities agreement entered into with RBC on 19 March 2007. These RBC issue costs are allocated to the profit and loss account over the terms of the loan facilities at a constant rate on the carrying amount. The RBC senior facilities are stated net of these unamortised issue costs of £3.2 million.

On 19 March 2007, as part of the Group's interest rate management strategy, the Company entered into two interest rate swaps for a total notional principal amount of £425 million maturing on 31 December 2031 (with a break clause at 31 December 2014). In 2009 one of the swap counterparties novated its interest in the swap arrangement to 2 new parties so that at the period end there were three swaps as follows:

Macquarie Bank Limited for	£212,500,000
Halifax Bank of Scotland ("HBOS") Treasury Services PLC for	£141,666,667
DEPFA Bank PLC for	£70,833,333

Under these swaps, the Company received interest on a variable basis and paid interest at a fixed rate of 4.085% up to 31 December 2009, 4.585% throughout 2010, 4.785% throughout 2011 and 4.845% from 1 January 2012 to 30 March 2012. The fixed rate increases over the life of the swap arrangement reaching an eventual high of 5.40% for the Macquarie Bank Limited swap and 4.983% for the HBOS Treasury Services PLC and DEPFA Bank PLC swaps.

The fair value loss of these interest rate swaps as at 30 March 2012 was

Macquarie Bank Limited for	(£80.4 million)
HBOS Treasury Services PLC for	(£44.9 million)
DEPFA Bank PLC for	(£22.4 million)

As part of the financial restructuring completed on 27 April 2012 and detailed in note 19:

- the amount repayable under Facility A and the interest due under the senior facilities from 1 July 2011 to 27 April 2012 and were reduced to £140 million,
- Facility B and the Revolving Facility were waived in full and cancelled,
- the termination date of Facility A was extended to 31 March 2018, and
- the Group acquired the counterparties' rights and liabilities under the interest rate swaps in exchange for an issue of loan notes, and the liabilities under the loan notes, and the interest due under the swaps from 1 July 2011 to 27 April 2012, were exchanged for £34.6m of the amended Facility A.

MEIF II CP Holdings 3 Limited**NOTES TO THE FINANCIAL STATEMENTS****For the period from 26 March 2011 to 30 March 2012****12 BORROWINGS (continued)****RBC super senior facility**

On 22 December 2011, a new super senior revolving credit facility totalling £6 million was taken out, to provide working capital for the group. The facility is secured by the same charge and guarantees as the RBC senior facility. £5million was drawn down on this facility on 28 March 2012.

As part of the financial restructuring completed on 27 April 2012 and detailed in note 19, this loan facility was repaid in full and cancelled.

Maturity of debt

	30 March 2012 £'000	25 March 2011 £'000
In more than one year, but not more than two years	469,399	-
In more than two years, but not more than five years	-	462,734
	<u>469,399</u>	<u>462,734</u>

All principal debt is due on termination date.

The RBS senior debt facilities have been included within creditors due within one year at 30 March 2012 as the temporary waivers and deferrals granted to the Company were due to expire (or might otherwise have been terminated) within that time period, which might have resulted in the debt becoming due and payable. As detailed in note 19, these facilities were amended as part of the financial restructuring completed on 27 April 2012, with all known (or ascertainable) defaults waived as at that date and maturity extended to 31 March 2018.

13 CALLED UP SHARE CAPITAL

	30 March 2012 £'000	25 March 2011 £'000
Authorised		
500,000,000 (2011: 500,000,000) Ordinary shares of £0.01 each	5,000	5,000
Allotted and fully paid		
1,000,002 (2011: 1,000,002) Ordinary shares of £0.01 each	10	10
	<u>5,000</u>	<u>5,000</u>

14 RESERVES

	Share premium account £'000	Profit and loss account £'000
As at 26 March 2011	990	(329,329)
Loss for the financial period	-	(816,998)
As at 30 March 2012	<u>990</u>	<u>(1,146,327)</u>

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	30 March 2012 £'000	25 March 2011 £'000
Loss for the financial period	(816,998)	(259,876)
Opening shareholders' deficit	(328,329)	(68,453)
Closing shareholders' deficit	<u>(1,145,327)</u>	<u>(328,329)</u>

MEIF II CP Holdings 3 Limited**NOTES TO THE FINANCIAL STATEMENTS****For the period from 26 March 2011 to 30 March 2012****16 CONTINGENT LIABILITIES**

Under a group registration the Company is jointly and severally liable for value added tax due by other members of the Group. At 30 March 2012, this contingent liability amounted to £1.7 million (2011: £2.4 million).

17 FINANCIAL COMMITMENTS

Where the Company enters into arrangements to guarantee the indebtedness of other members of the 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 the 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.

18 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 3(c) of Financial Reporting Standard 8 'Related party disclosures' on the grounds that it is a wholly owned subsidiary of a group headed by MEIF II CP Holdings 1 Limited, whose financial statements are publicly available.

Directors make any significant trading purchases from the Group and its affiliates on a normal, arms-length basis.

19 POST BALANCE SHEET EVENT - FINANCIAL RESTRUCTURING

On 27 April 2012, the Group completed negotiations with its shareholder, lenders and landlords, aimed at placing the group on to a sustainable capital structure.

Under the Restructuring, the Group

- received an injection of new share capital of £50 million,
- received a waiver of £298 million of shareholder debt and accrued interest,
- received a waiver of £349 million comprising part of its external debt and accrued interest, and settled liabilities relating to its senior debt facility, in return for a 15% equity share in the Group,
- negotiated rent reductions and early lease surrenders with landlords, and
- incurred transaction costs of £17.3 million, comprising professional fees and lease amendment fees. £10.8m were incurred in the period ended 30 March 2012, with the remainder incurred after 30 March 2012.

Under the Restructuring, the Company

- issued loan notes to the counterparties to its interest rate swaps linked to its senior debt facility, and subscribed for new shares in its subsidiary, MEIF II CP SPV 1 Limited, for £156.9 million, to enable MEIF II CP SPV 1 Limited to acquire the counterparties' rights and liabilities under the swaps,
- received a waiver of £349 million comprising part of its external debt and accrued interest, and settled liabilities relating to its senior debt facility,
- transferred to MEIF II CP SPV 2 Limited
 - £425 million of its amount due from Oval 2041 Limited, at its deemed fair value of £201.9 million, and
 - its liability under its interest rate swap linked to its senior debt facility,
 receiving loan notes from MEIF II CP SPV 2 Limited of £45.0 million as net consideration,
- waived amounts due from subsidiaries totalling £587.8 million,
- had its debts due to MEIF II CP Holdings 2 Limited of £811.3 million waived in full,
- issued additional share capital of £44.3 million,
- incurred transaction costs of £13.0 million, of which £10.1m were incurred in the period ended 30 March 2012, with the remainder incurred after 30 March 2012.

MEIF II CP Holdings 3 Limited**NOTES TO THE FINANCIAL STATEMENTS****For the period from 26 March 2011 to 30 March 2012****19 POST BALANCE SHEET EVENT – FINANCIAL RESTRUCTURING (continued)**

On 15 May 2012, the Company purchased an interest rate cap agreement for £1.8 million, capping the interest payable on £105 million of the remaining external debt at a rate of 2% plus the agreed margin for the five years to 15 May 2017

Had the financial restructuring been completed at 30 March 2012, the Company balance sheet would have been amended in accordance with the proforma figures below

	Audited Actual 2012 £'000	Unaudited Proforma 2012 £'000
FIXED ASSETS		
Investments	-	156,868
CURRENT ASSETS		
Cash at bank	128	128
Debtors	202,009	47,015
	202,137	47,143
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	(1,347,464)	(244)
NET CURRENT (LIABILITIES)/ASSETS	(1,145,327)	46,899
TOTAL ASSETS LESS CURRENT LIABILITIES	(1,145,327)	203,767
CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	-	(139,185)
NET (LIABILITIES)/ASSETS	(1,145,327)	64,582
CAPITAL AND RESERVES		
Called up share capital	10	10
Share premium account	990	45,290
Profit and loss account	(1,146,327)	19,282
TOTAL SHAREHOLDERS' (DEFICIT)/FUNDS	(1,145,327)	64,582

20 ULTIMATE PARENT AND CONTROLLING PARTY

The Company's ultimate parent and controlling party is Macquarie European Infrastructure Fund II, an English limited partnership with its registered office at 3rd Floor, 10 Lefebvre Street, St Peter Port, Guernsey, GY1 2PE. The parent undertaking of the largest group which includes the Company and for which consolidated financial statements are prepared is Macquarie European Infrastructure Fund II. The parent undertaking of the smallest such group is MEIF II CP Holdings 1 Limited, a company incorporated in England. Copies of the consolidated financial statements of MEIF II CP Holdings 1 Limited are available from Ropemaker Place, 28 Ropemaker Street, London, EC2Y 9HD.

The Company's immediate parent company and controlling party is MEIF II CP Holdings 2 Limited, a company incorporated and registered in England.