

Finbarr O’Connell, Emma Thompson, Adam Stephens and Andy McGill were appointed Joint Administrators (the “Administrators”) of Park First Freeholds Limited, Park First Glasgow Rentals Limited, Park First Gatwick Rentals Limited and Help Me Park Gatwick Limited (all in administration) (the “Companies”) on 4th July 2019

We have prepared this document to help creditors of the Companies, who are mostly investors in Park First car parking schemes, to understand what is happening.

**Park First Freeholds Limited (in administration),
Park First Glasgow Rentals Limited (in administration),
Park First Gatwick Rentals Limited (in administration) and
Help Me Park Gatwick Limited (in administration)
(together “Park First” or the “Companies”)**

UPDATE TO INVESTORS AND CREDITORS

Date 14th October 2020

This update will focus on the Company Voluntary Arrangements and also includes answers to some of the frequently asked questions.

Previous updates, investor information and statutory reports are available for investors and creditors to download from the Administrators' website at www.smithandwilliamson.com/park-first and the Administrators' portal at www.ips-docs.com

Update on the Company Voluntary Arrangements (“CVAs”)

General update

As stated in the Administrators' last progress report, it was hoped that CVA proposals would be issued to investors and creditors during September 2020.

The Administrators continue to make good progress in drafting the CVA proposals, other associated documentation and all other work required to publish these proposals. Regrettably, this process has taken longer than we could have foreseen.

Progress made to date

- **Drafting of CVA proposals and other CVA documentation**

Due to the complex nature in which the group operates, the CVA proposals will, unfortunately, be a lengthy and complex legal document. However, we are working with our legal advisors to try and make the process as simple as possible for investors and creditors. This includes finding ways to reduce the administrative burden for investors when completing and returning documentation.

The CVA proposals are in an advanced stage of drafting along with various other associated legal documents.

- **Financial analysis**

The CVAs will provide a comparison of outcomes to investors and creditors showing what their financial position might be in a CVA as opposed to the alternative restructuring process, being a liquidation.

To prepare this comparison we have needed detailed financial information from the Companies and also Group First Global Limited and other associated companies. Whilst we are now in possession of a lot of the information that we need, we must now analyse this and prepare the relevant statutory financial reports for investors and creditors. At the same time, we await receipt of outstanding information, the details of which evolve as our analysis and observations progress.

- **Detailed tax considerations**

There are a number of specialist tax matters in relation to the proposed CVAs and restructuring of the group which need to be addressed. Whilst a number of these matters have now been dealt with, the remaining tax queries are reliant on finalisation of certain legal documents before the relevant tax advice can be given.

The tax advice is very important to ensure that the Companies don't pay more tax than they should, which will ultimately reduce the amount of money available to investors and creditors.

Once all outstanding financial information has been provided, the legal documents can be finalised and in turn tax advice can be clarified.

- Services agreement

We have been working with a car parking specialist to prepare the terms of a services agreement between the operating companies and the rental companies. Going forward, we want to ensure that the terms of such an agreement protects investors' interests and allows them alternative options if the operating companies do not meet certain agreed service levels.

- Valuation of car parking spaces

In order to ensure a fair distribution of the Companies' assets in the CVAs we need to understand what the underlying value is of each car parking space. We have therefore engaged specialist valuers to undertake this work.

We have previously completed work to value the car parks as a whole in order to be able to compare the outcome in a CVA versus a liquidation.

- Investigations

The forensic accountants have almost finalised their initial review into the Companies, details of which will be summarised to investors and creditors once certain explanations have been received and clarified.

- Contributions from Group First group companies and other parties into the CVAs

As Administrators of the Companies, as well as proposed nominees and supervisors of the Companies' CVAs, we want to ensure that the best possible offer is made to investors and creditors in these CVAs.

As you will already be aware, there is the £33mil Luton Fund, which is still proposed to be made available for the CVAs and Toby Whittaker/ Group First have confirmed that additional sums will be made available to settle any claims in the CVAs. We are working with Toby Whittaker/ the Group First group to understand the quantum and timing of any additional sums to be contributed to the CVAs and investors and creditors will be updated when more details can be provided.

- Online voting

In order to make the voting process as simple as possible for investors and creditors, we have set up an online portal. This means that logging claims and voting in the CVAs will now be much simpler and quicker. However, for those who have notified that they do not have on-line access, hard copy documents will continue to be sent to you.

- Future trading

We have requested and assessed financial forecasts in relation to the Companies and also the operating companies. This is because we want to, so far as possible, verify that the Companies have a sustainable trading model going forward, especially in light of the difficulties caused to the car parking businesses owing to the COVID-19 pandemic.

Next steps

Once the above matters have been finalised, we will circulate the CVA proposals to investors and creditors who will be given the opportunity to vote on the proposals.

We appreciate that investors and creditors will have queries in relation to the CVA proposals and we therefore propose to call meetings of the investors and creditors at the appropriate time. Given the ongoing COVID-19 pandemic, we are considering the best way to hold these meetings in a safe way.

Please continue to check the administrators' website (www.smithandwilliamson.com/park-first) and portal (www.ips-docs.com) for future updates.

We have set out below responses to some of the more frequently asked questions that the Administrators' team have recently received.

Frequently Asked Questions

- 1) *“When can we expect to receive money from the administrations, including rent owed to us under the terms of our investment?”*

Once the CVAs have been agreed, we will be able to pay investors any rent that has continued to accrue during the terms of the administrations and any dividend payments investors and creditors are entitled to as part of the CVAs.

These rental payments have not yet been distributed because the cost involved in making these payments will be significant and so combining the rental payments with the CVA dividend means there will be more cash available to distribute if we only make one payment.

- 2) *“Can you provide a schedule of rental income incurred or paid in respect of our investment?”*

When we are in a position to make payment to investors in respect of accrued rent we will provide a statement showing how those amounts have been calculated and over what period.

However, for confirmation of any pre administration rent calculations and payments, the Group First Global customer services team can be contacted.

- 3) *“What’s currently happening with the car parks?”*

Owing to the current reduced demand, the car parks in Glasgow and Gatwick are only in partial use at this time in order to mitigate the operational costs.

As air travel becomes more freely available and popular again, we are seeing an increase in the use of the car parks. We are in regular dialogue with the boards of directors of the operating companies so that we can start to increase capacity as demand picks up.