

Finbarr O’Connell, Emma Thompson, Adam Stephens and Andy McGill were appointed Joint Administrators (the “Administrators”) of 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)(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.

QUESTIONS & ANSWERS

about

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”)

Date 24 February 2020

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3. General queries & update
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Section 1 - Queries regarding the Car Parks

Q - If the administrators can find a buyer for the car parks, when will investors get their money back and how much will they get?

The Administrators continue to evaluate the best way forward to get the best result for all investors and creditors. One option available to the Administrators is to find a buyer for the car parks.

It is likely that it will take longer for investors and creditors to receive a dividend from the administrations if a sale of the car parks is achieved, as opposed to the proposal of interlocking CVAs. It is too early to determine what level of returns investors and creditors will receive as there are still significant uncertainties regarding the sales value that might be achieved.

We are not able to issue a timetable for when the options will be put to investors and creditors, but we will keep investors and creditors up to date as matters progress.

Q - Has a formal appraisal of the car parks been obtained?

A car parking specialist has been instructed to undertake an appraisal of the value of the car parks. This work is now complete, and summarised details of the appraisal will be shared with the creditors' committees in due course, who will be bound by the terms of the confidentiality agreements they have signed. If details of the appraisals are made publicly available it is likely to have a detrimental impact on any possible future values to be achieved from the car parks, if sold, and in turn, the potential returns to investors and creditors.

Q - Are the car parks operational and what's happening to the income?

Since the Administrators' appointment, we are told that approximately 70% of the car parking spaces have been operational. The two operating companies, Pay Park Limited and Airport Parking Rentals (Gatwick) Limited, continue to oversee day to day trading matters and are reporting financial information to the Administrators on a weekly basis. The Administrators are scrutinising all expenditure the operating companies deduct from trading revenue and the net trading profits are remitted to the Administrators.

In order to gain further insight into the trade of the operating companies, Martin Orrell (an experienced turnaround director) has been appointed to the boards of directors of the operating companies and their parent company, Stronghouse Limited. This should give investors and creditors comfort that an independent third party is overseeing the trade of the business.

Q - Do I still own the car parking space(s)?

Investors still own their car parking space(s) under the terms of their lease.

Q - Can we sell our car parking space(s)?

The Administrators are aware that investors have been approached by various third parties claiming that they want to purchase the investors' space(s) or can facilitate a sale of the space(s) for investors. Investors are reminded to be vigilant about such approaches and seek appropriate advice before proceeding. Furthermore, investors should be especially careful where these parties are requesting payments to be made to them.

Section 2 - Information regarding Buy-Back / Lifetime Lease Scheme Creditors

Q - Can I choose to become a buyback creditor / lifetime lease scheme member now the companies are in administration?

Please see below an extract from the Administrators' proposals:

"From 1 December 2017, investors were sent information regarding the New Schemes and given two alternative options as regards their original investments. Some investors opted to have their original investments bought back by PFF or HMPG (the "Buy-Back creditors") and some investors elected to become LLS members, whereby they granted a long lease (175 years) of their parking space to either PFGAT or PFGLA in return for certain earnings from the car parking schemes. The date for such election was 9 June 2018, which was the cut-off date for investors to respond with respect to these alternative options."

We understand that some investors have asked to exercise an early redemption clause in their scheme documents. We are reviewing the options available to investors with our lawyers, considering the Companies are in administration, and will confirm in due course how this affects any legal rights to exercise certain clauses depending on the documents held/ stage of completion.

Q - I am neither a Buy-Back creditor nor a Lifetime Lease Scheme Member, what is my position?

The Administrators are aware that some investors have not completed on a Buy Back or Lifetime Lease agreement. Any proposed CVAs will seek to regularise investors position across the Companies so that if CVAs are approved investors will either be a Buy Back or Lifetime Lease investor.

If you have paid a sum of money only and have no completed documentation, it's likely you are a financial creditor and will receive a dividend based on the value of your claim.

Q - How many investors have opted to be a Buy-Back Creditor / Lifetime Lease Scheme Member?

Based on the total number of spaces originally sold, around 19% of investors opted for the Buy Back option.

Section 3 - General queries & update

Q - When will I get my money back?

The Administrators are aware that the Administration of the Companies has impacted thousands of investors and creditors. They are working to achieve the best outcome for investors and creditors and are assessing whether CVAs will result in the best outcome. If this is the case, the Administrators will circulate CVA proposals to investors and creditors to allow you to vote on various different outcomes and particularly on whether you want the CVAs to go ahead because they might result in a better return to you than the other options. If the Administrators believe that CVAs won't result in the best outcome for investors or creditors, or if investors and creditors don't approve the CVA proposals, it is likely that the Administrators will look to sell the car parks and subsequently place the Companies into liquidation to be able to distribute the realisations from any sales to investors and creditors by way of a dividend.

You'll appreciate that given the uncertainties in the various strategies, it is too early to tell when and how much money will be available to distribute to investors and creditors.

Q - I have not received a response to my email sent to the dedicated Park First mailbox

Due to the extremely large number of emails we are continuing to receive, we are only able to deal with urgent queries. The Administrators continue to review incoming correspondence and will provide further information on the website (www.smithandwilliamson.com/park-first) and portal (www.ips-docs.com) where there are recurring themes or information requests. Investors and creditors will appreciate that this is a more cost-effective way of dealing with incoming queries.

Q - Who appointed Smith & Williamson to be the Joint Administrators of the Companies?

Finbarr O'Connell, Emma Thompson, Adam Stephens and Andy McGill were appointed Joint Administrators of the Companies by the Directors on 4th July 2019. The Administrators are qualified insolvency practitioners, regulated by the institute of Chartered Accountants in England and Wales. The Administrators act independently of the Companies and the directors for the benefit of creditors.

Professional advice was sought by the directors of the Companies prior to the administration. Smith & Williamson can conclude that there are no conflicts of interest.

Section 4 - Should I file a LBTT Tax Return?

Please note that this information is only relevant to investors with parking spaces in Glasgow.

The administrators have provided documentation received from Revenue Scotland on our Park First website, links to the documents can be found here:

<https://smithandwilliamson.com/media/6343/park-first-investors.pdf>
<https://smithandwilliamson.com/media/6342/lease-reviews-guidance.pdf>

If you need further guidance regarding LBTT submissions, please contact Revenue Scotland by:

Phone - 03000 200 310 (Monday - Friday, 9am until 4pm. Please note that lines will be closed from 9am until 10am every Thursday for staff training).

Email - LBTT@revenue.scot

Post - Revenue Scotland, PO BOX 24067, EH6 9BR.

Section 5 - Availability of FOS and FSCS Compensation

None of the Park First Companies in administration were FCA authorised firms. As a result, investors will not be able to claim compensation through the FOS or from the FSCS in relation to these companies.

However, investors who made investments through a regulated firm such as an Independent Financial Advisor ("IFA"), may have other sources of redress. Investors should in the first instance complain to the regulated firm, and if they are not happy with the outcome of their complaint, they may be able to refer the matter to the Financial Ombudsman Service ("FOS"). Further information can be found on the Financial Ombudsman Service website:

<https://www.financial-ombudsman.org.uk/>

If the regulated firm they have dealt with is insolvent, investors might be entitled to bring a claim to the FSCS. However, please note that there are limits to the amount of compensation the FSCS may be able to pay. More information on this can be found on the following website:

<https://www.fscs.org.uk/what-we-cover/>

Section 6 - Important dates

Please find below important dates in respect of the administrations:

| Date | Event |
|------------------|---|
| 4 July 2019 | Appointment of Joint Administrators |
| 1 October 2019 | Initial Park First Creditors' Meeting |
| 4 November 2019 | Court Hearing of Application seeking directions |
| 25 November 2019 | Adjourned Meeting of Creditors |
| | |
| 23 January 2020 | First initial Creditors Committee meeting |
| 31 January 2020 | First Progress Report in respect of the Companies |
| 3 July 2020 | End of administration unless CVAs approved / extensions granted / Liquidation |

Section 7 - Creditors' Committees

The composition of the committees is as follows: -

Park First Freeholds Limited

| Committee member | Represented by |
|---------------------------------|---------------------------|
| World Arbitrage Fund | Kristoffer Huldt |
| Rowanmoor Trustees Limited | Gregory Daley |
| Gordon Edward Fisher | Himself |
| Norhairul Nizam Bin Abdul Karim | Syed Zaid Bin Ali Alhadad |
| Leonid Zhivetskiy | Julia Ustinovskaya |

Park First Glasgow Rentals Limited

| Committee member | Represented by |
|---------------------------------|---------------------------|
| World Arbitrage Fund | Kristoffer Huldt |
| Rowanmoor Trustees Limited | Gregory Daley |
| Gordon Edward Fisher | Himself |
| Norhairul Nizam Bin Abdul Karim | Syed Zaid Bin Ali Alhadad |
| Leonid Zhivetskiy | Julia Ustinovskaya |

Park First Gatwick Rentals Limited

| Committee member | Represented by |
|---------------------------------|---------------------------|
| World Arbitrage Fund | Kristoffer Huldt |
| Bank Al Etihad | Fadi Maree |
| Davis Cheung | Gordon Edward Fisher |
| Norhairul Nizam Bin Abdul Karim | Syed Zaid Bin Ali Alhadad |
| Stephan & Natella Danin | Julia Ustinovskaya |

Help Me Park Gatwick Limited

| Committee member | Represented by |
|-----------------------------|---------------------------|
| World Arbitrage Fund | Kristoffer Huldt |
| Bank Al Etihad | Fadi Maree |
| Andrei & Tatiana Skvortcov | David Manasyan |
| Excelsior Worldwide Limited | Syed Zaid Bin Ali Alhadad |
| Stephan & Natella Danin | Julia Ustinovskaya |

Guy Enright of the FSCS is an observer on all committees and has no voting rights.

Section 8 - Contact information

If you wish to advise the Administrators on any matters please email them at ParkFirst@smithandwilliamson.com

You can also write to them care of: -

FAO the Administrators
Park First Freeholds Limited (in administration)
C/o Smith & Williamson LLP
25 Moorgate
London
EC2R 6AY

FAO the Administrators
Park First Glasgow Rentals Limited
C/o Smith & Williamson LLP
25 Moorgate
London
EC2R 6AY

FAO the Administrators
Park First Gatwick Rentals Limited
C/o Smith & Williamson LLP
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FAO the Administrators
Help Me Park Gatwick Limited
C/o Smith & Williamson LLP
25 Moorgate
London
EC2R 6AY

Website: <https://smithandwilliamson.com/park-first>
Administrators email: ParkFirst@smithandwilliamson.com
Administrators' helpline: 020 7131 8912
Park First phone number: 01282 330 330