EQUITIX MA 1 CAPITAL EUROBOND LIMITED

ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FROM THE PERIOD FROM INCORPORATION 3 DECEMBER 2014 TO 31 DECEMBER 2015

Registered Number: 9339740

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD FROM THE DATE OF INCORPORATION ON 3 DECEMBER 2014 TO 31 DECEMBER 2015

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DIRECTORS AND ADVISERS

Directors

H B Crossley (appointed 3 December 2014)
G A Jackson (appointed 3 December 2014)
N G B Parker (appointed 3 December 2014)
J C Smith (appointed 27 January 2015)

Company secretary and registered office

H B Crossley
Welken House
10 -11 Charterhouse Square
London
EC1M 6EH

Auditor

KPMG LLP
Chartered Accountants and Statutory Auditor
15 Canada Square
London
E14 5GL

Principal bankers

Royal Bank of Scotland plc
9th Floor, 280 Bishopsgate
London
EC2M 4RB

STRATEGIC REPORT

BUSINESS MODEL

The Company was incorporated in England and Wales on 3 December 2014 and issued 100 ordinary shares of £1 each. The financial statements for the period from this date to 31 December 2015 are the first financial statements issued by the Group.

The Company's principal activities relate to investment in long-term PPP/PFI contracts held with local authorities in the UK. The Company, through its subsidiary investments, currently holds contracts to develop and operate assets throughout the United Kingdom.

REVIEW OF THE PERIOD

On 27 February 2015 the Company's wholly owned subsidiary, Equitix MA Infrastructure Limited, acquired an 80% holding in the subordinated debt and ordinary share capital of Barking and Dagenham BSF SPV Ltd for £8,400k.

On 11 March 2015 the Company's wholly owned subsidiary, Equitix MA Infrastructure Limited, acquired a 25% holding in the subordinated debt and ordinary share capital of Pebblehall Bio Power Ltd for £9,035k.

On 25 March 2015 the Company's wholly owned subsidiary, Equitix MA Infrastructure Limited, acquired a 40% holding in the subordinated debt and ordinary share capital of Barnsley BSF SPV Ltd for £34,200k.

On 29 October 2015 the Company's wholly owned subsidiary, Equitix MA Infrastructure Limited, acquired a 40% holding in the subordinated debt and ordinary share capital of Glasgow Learning Quarter (Holdings) Ltd for £11,920k.

On 6 November 2015 the Company's wholly owned subsidiary, Equitix MA Infrastructure Limited, acquired a 100% holding in the subordinated debt and ordinary share capital of SEC Highway (No4) Ltd for £7,044k.

On 11 November 2015 the Company's wholly owned subsidiary, Equitix MA Infrastructure Limited, acquired a 50% holding in the subordinated debt and ordinary share capital of Cairnborrow Wind Energy Ltd for £3,267k.

On 15 November 2015 the Company's wholly owned subsidiary, Equitix MA Infrastructure Limited, acquired a 50% holding in the subordinated debt and ordinary share capital of Healthcare Support (Newham) Holdings Ltd for £9,911k.

The Company's direct subsidiaries are held at fair value on the Statement of Financial Position with movements recorded through the Statement of Comprehensive Income, as explained in note 2. In order to determine the fair value of these investments, the Company takes into consideration the fair value of all the underlying portfolio companies and intermediate holding companies.

KEY PERFORMANCE INDICATORS

The key performance indicators for the Company are primarily client and financially focused; including those listed below:

- tracking the performance and delivery of the services in conjunction with the KPIs set by the local authorities;
- the progress of the individual project companies;
- the comparison of actual cash flows costs to those that have been forecast;
- the value of investments held in the company portfolio in association with the expected future cash flows; and
- that all operational projects are performing within the restrictions of all project documentation.

The latest operational models show the current portfolio of projects is performing in line with expectations and the project documentation with no material or significant unavailability deductions being suffered in the period. The construction activity is progressing to schedule and has

The results for the period are shown on page 7 in the statement of comprehensive income. This shows a loss of £6,604k and a net finance expense amounting to £5,260k. The loss for the period includes an decrease in the fair value of the investments of £1,765k. The Directors do not recommend the payment of a dividend.

FUTURE DEVELOPMENTS

The Directors of the Company are not aware of any circumstances by which the principal activity of the Company would alter or cease; the Company will continue to act as holding company for the Equitix MA 1 LP PFI / PPP assets.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has entered into inter-company loan agreements with its parent entity and into loan arrangements with its investments. A principal risk is the Company not receiving interest payments in order to make interest payments to its parent entity. Therefore, the Company's main concerns are attributable to the sound operation of the underlying PFI/PPP infrastructure assets, ensuring that the modelled cash flows, made up of, but not limited to, subordinated debt principal repayments, subordinated debt interest payments, dividends and other fees are indeed received. The Company will monitor actual and projected cash flows to ensure that the returns are as expected. In addition, the Company will also look to optimise returns from the underlying PFI/PPP local authority infrastructure assets through achieving efficiencies at project level and by maximising synergies at portfolio level.

By order of the Board

J C Smith
29 April 2016

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements for the period from incoporation on 3 December 2014 to 31 December 2015.

DIRECTORS

The Directors who served throughout the period, except as noted, are shown on page 1.

RESULTS AND DIVIDENDS

The Company's performance reflects the position under the various inter-company and inter-group agreements that have been put in place during the period, and the ongoing performance and value of the investment portfolio. See Strategic Report for further detail.

FINANCIAL RISK REVIEW

Interest rate risk

The Company's investments have various senior debt agreements to fund project construction and operations. These loans are non-recourse to Company and are typically raised with a floating interest rate and interest rate swap agreements are used to fix senior debt interest rates to obtain the desired interest profile and to manage the Company's exposure to interest rate fluctuations.

Market risks

The Company has adopted a policy of only dealing with creditworthy counterparties and PFI/PPP concessions are entered into with government or semi-government authorities, thereby protecting income streams over the course of long term contracts. The characteristics of these long-term contracts mean that income and cost is typically fixed or capped throughout the life of the project and therefore the Group has very limited exposure to market risks.

Liquidity risk

The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows stemming from the underlying projects and matching maturity profiles of financial assets and liabilities. The Company's policy throughout the year and preceeding periods has been to ensure continuity of funding using the various facilities outlined in the interest rate section above. Senior bank loans are matched in duration to the life of the project concession and are non-recourse to the Company.

Currency risk

The Company only deals in sterling and therefore have no exposure to foreign exchange risk.

Perfromance Risk

The Company mitigates performance risk through a robust asset management process, and passes on risks of non-performance to service providers and subcontractors.

GOING CONCERN

The Company's forecasts and projections taking account of reasonably possible changes in trading performance, and the net current liability position of the Company, show that the Company should be able to operate within the level of its current resources. The Company's going concern is dependent upon performance of the entities within the Equitix MA 1 LP group. The Company has obtained a letter of support from its parent entity, Equitix MA 1 LP. After making enquiries, the Directors have a reasonable expectation that the Company and its parent have adequate resources to continue in operational existence for the foreseeable future, and for a minimum of 12 months from the date of signing of this report, despite any economic uncertainties. In forming this conclusion, the following has been taken into consideration:

• all committed investments of the Company and its subsidiaries holding companies are covered by commitments from the partners of Equitix MA 1 LP;
• the Company has limited other outgoings and funding can be drawn down from the Fund's partners if required to meet these obligations;
• the Fund financial model, which consolidates the returns from the Company's investment portfolio;
• the Company's borrowings from its parent, Equitix MA 1 LP, are shortterm 364 day loans. These are intended to be replaced in 2016 by Eurobonds to be listed on the Channel Islands Stock Exchange.

AUDITOR

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On 28 September 2015 the Directors appoibted KPMG LLP as auditor of the Company to fill casual vacancy as auditor under section 485(3) of the Companies Act 2006. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therfore continue in office.

By order of the Board

J.C Smith
29 April 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statement in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with IFRSs as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with specific requirements in IFRSs are insufficient to enable users to understand the impact of transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's webiste. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX MA 1 CAPITAL EUROBOND LIMITED

We have audited the financial statements of Equitix MA 1 Capital Eurobond Limited for the period ended 31 December 2015 set out on pages 7 to 26. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, set out on page 5 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.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; 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 Strategic Report and the Directors' Report for the financial period 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.

Henry Todd (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
29 April 2016

STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2015

	Notes	Period from 3 December 2014 to 31 December 2015
		£'000
Interest income	7	380
Other income		52
Fair value loss on investments	10,11	(1,765)
Loss from operations		(1,333)
Finance cost	8	(5,260)
Administrative expenses		(11)
Loss before tax		(6,604)
Tax	9	-
Loss after tax		(6,604)

All the above items relate to continuing operations.

The Company has no recognised gains or losses other than reported above.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Notes	As at 31 December 2015 £'000
Non-current Assets		
Investments held at fair value	11	81,541
		81,541
Current assets		
Cash and cash equivalents		-
Receivables	13	1,077
		1,077
Total assets		82,618
Current liabilities		
Interest payable to parent		(3,417)
Other payables	14	(1,526)
Borrowings	15	-
		(4,943)
Net current liabilities		(3,866)
Non-current liabilities		
Borrowings	15	(84,278)
		(84,278)
Total liabilities		(89,221)
Net liabilities		(6,603)
Equity		
Share capital	16	1
Retained losses	17	(6,604)
		(6,603)
Shareholders' deficit		(6,603)

The notes on pages 11 to 26 form part of these financial statements.

The notes to the financial statements of Equitix MA 1 Capital Eurobond Limited, registered number 09939740, were approved by the Board of Directors and authorised for issue on 29 April 2016 and were signed on its behalf by:

J C Smith
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2015

	Share capital £'000	Retained earnings £'000	Total £'000
Balance as at 3 December 2014	-	-	-
Issue of Share Capital	1	-	1
Loss for the period	-	(6,604)	(6,604)
Balance as 31 December 2015	1	(6,604)	(6,603)

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2015

	2015 £'000
Cash flows from operating activities	
Loss for the period	**(6,604)**
Fair value loss on investments	**1,765**
Investment revenue	**(380)**
Finance cost	**5,260**
Increase in other receivables	**(1)**
Increase in other payables	**1,526**
Cash inflow from operations	**1,566**
Income tax credit	-
Interest received	**(695)**
Interest paid	**(1,843)**
Net cash flows used in operating activities	**(972)**
Investing activities	
Purchase of investments held at fair value	**(83,306)**
Net cash used in investing activities	**(83,306)**
Financing activities	
Repayment of loans from parent company	-
Borrowings from parent company	**84,278**
Net cash from financing activities	**84,278**
Net increase in cash and cash equivalents	-
Cash and cash equivalents from beginning of period	-
Cash and cash equivalents from end of period	-

Notes to the financial statements for the period ended 31 December 2015

1 GENERAL INFORMATION

Equitix MA 1 Capital Eurobond Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Directors' report on page 2. These financial statements are presented in pounds sterling, being the currency of the primary economic environment in which the Company operates.

2 ACCOUNTING POLICIES

The Company has considered the need to prepare consolidated financial statements under IFRS. Equitix MA 1 Capital Eurobond Limited meets the definition of an Investment Entity under International Financial Reporting Standard (IFRS) 10 and is required to account for its investments at fair value through profit and loss and only consolidates those entities within the Group that provide investment activity services. All subsidiaries of the Company are classified as investments under IFRS 10 and, accordingly, the Company has not produced consolidated accounts under IFRS.

These financial statements, for the period ended 31 December 2015, have been prepared in accordance with the amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 Separate Financial Statements incorporating accounting for Investment Entities.

a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs"). A summary of the principal accounting policies, all of which have been applied consistently throughout the current and prior year are set out below.

The Company has adopted Investment Entities (Amendments to IFRS 10, IFRS 12, and IAS 27) and meets the definition of an Investment Entity under IFRS 10. As such, the Company recognises investments at fair value through profit and loss.

These financial statements, for the year ended 31 December 2015, have been prepared in accordance with the amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 Separate Financial Statements incorporating accounting for Investment Entities, IAS 28 Investments in Associates and Joint Ventures and IFRS 11 Joint Arrangements.

IFRS 10 requires the Company to measure its interests in subsidiary investments under IAS 39: Financial Instruments - Recognition and Measurement and IFRS 7: Financial Instruments - Disclosures. The investments are valued at fair value with gains or losses on measurement of investments accounted for through profit or loss (see note 12).

The Investment Entities standard introduced an exception to the principle that all subsidiaries should be consolidated. The amendments define an Investment Entity and require a parent entity that is an Investment Entity to measure its subsidiaries at fair value through profit or loss, in accordance with IAS 39 Financial Instruments: Recognition and Measurement and IFRS 13 Fair Value Measurement instead of consolidating those subsidiaries. The Company meets the definition of an Investment Entity on the basis of the following criteria:

(i) the Company obtains funds from multiple ultimate investors for the purpose of providing those investors with investment management services;

(ii) the Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

(iii) the Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

To determine if the Company meets the definition of an Investment Entity, further consideration is given to the following characteristics of an investment entity that are demonstrated by the Company.

(i) it has more than one investment;
(ii) it has more than one ultimate investor;
(iii) it has investors that are not related parties;
(iv) it has ownership interests in the form of equity or similar interest; and
(v) it holds investments for a limited period only i.e. it has an exit strategy for its investments.

Joint ventures are those entities over which the Company has significant influence and joint control as defined in IAS 28 'Investments in Associates and Joint Ventures'. By virtue of the Company meeting the definition of a fund management company and the wholly owned subsidiary of an investment fund and the exemption provided by IAS 28, investments in such entities are designated upon initial recognition to be accounted for at fair value through profit and loss, in accordance with the equivalent measurement exception under IAS 28 and IFRS 13, with changes in fair value recognised in profit or loss in the period of charge.

In the current period, the Company continues to apply the following accounting standards:

- Annual Improvements to IFRSs - 2010-2012 Cycle (January 2015)
- Annual Improvements to IFRSs - 2011-2013 Cycle (December 2014)

b) Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Director's Report on page 3.

Notes to the financial statements for the period ended 31 December 2015

2 ACCOUNTING POLICIES (CONTINUED)

c) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. In relation to the fair value exercise interest revenue is adjusted to remove any double counting of cash flows.

Income from participating interests is recognised when the shareholders' rights to receive payment have been established.

Other income associated with the provision of services is accrued on a time basis over the period to which the delivery of the service is set, net of VAT and other sales related tax.

d) Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

e) Accruals and provisions

Accruals and provisions are recognised in the statement of comprehensive income in the period in which they are incurred.

f) Taxation

The tax expense represents the sum of tax currently payable and deferred tax.

Current

The tax currently payable is based on taxable profit for the period Taxable profit differs from the net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arises from the initial recognition of goodwill or from the initial recognition (other that in a business combination) of other assets and liabilities in a transaction that affect neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable difference arising on investments, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and the rates that have been enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on the same taxable company, and the Company intends to settle its current tax assets and liabilities on a net basis.

g) Financial Instruments

Financial assets and financial liabilities are recognised on the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of an instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition in accordance with IAS 39 'Financial Instruments: Recognition and Measurement'.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to the financial statements for the period ended 31 December 2015

2 ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (continued)

Financial assets

Financial assets, are classified in the following categories: fair value through profit and loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(i) Investments at fair value through profit or loss

Investments at fair value through profit or loss are designated upon initial recognition as financial assets at fair value through profit or loss. The Company's policy is to fair value both the equity and subordinated debt investments in PPP assets together. Both elements are exposed to the same primary risk, being performance risk. This performance risk is taken into consideration when determining the discount rate applied to the forecast cash flows. In determining fair value observable transactions are considered and fair value is measured using assumptions that market participants would use when procing assets including assumptions regarding risk. The sub debt and equity are considered to have the same risk characteristics. As such, the debt and equity form a single class of financial instrument for the pruposes of this disclosure. The Company measures its investments as a single class of financial asset at fair value in accordance with IFRS 13 fair Value Measurement. Subsequent to initial recognition, the investments are measured on a combined basis at fair value with changes recognised within operating Statement of Comprehensive Income.

Investments in subsidiaries

The Company is required under Investment Entities (Amendments to IFRS 10, IFRS 12, IAS 27) to measure its investments in subsidiaries at fair value through profit or loss, except where the subsidiary provides investment related services or activities. The Company measures its investments in PPP assets that are subsidiaries at fair value in accordance with IAS39 'Financial Instruments: Recognition and Measurement' and IFRS 13 Fair Value Measurement.

Equitix MA 1 Capital Eurobond Limited holds 100% of the issued share capital and debt of Equitix MA Infrastructure Limited, which owns a portfolio of investee companies and their associated intermediate holding companies. The fair value of investments is determined by valuing the underlying portfolio investee companies and intermediate holding companies. Investments are designated as "financial assets at fair value through profit and loss" as these assets are managed on a fair value basis for capital gain. The investments are initially recognised at fair value and are subsequently re-measured at fair value, which is determined by the Directors. Recognised gains and losses and unrealised gains and losses arising from the revaluation of investments at the period end are taken directly to the Income Statement.

The current portfolio of investments held by the Company are valued using discounted cash flow analysis based on financial models that form part of the project documents. Future forecast shareholder cash flows are discounted at a rate which allows for influences of individual project attributes and general economic conditions to reflect a value as at the balance sheet date; these values are then compared against recent, similar market transactions as a gauge of estimations and uncertainties.

(ii) Loans and receivables

Trade receivables, loans and other receivables that are non derivative financial assets and that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and other receivables'. Loans and other receivables are measured at amortised cost using the effective interest method, less any impairment. They are included in current assets, except where maturities are in greater than 12 months after the balance sheet date which are classified as non current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the Statement of Financial Position.

Impairment of financial assets

Financial assets, other than those through profit or loss, are assessed for indicators of impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative impact on the asset. Significant financial assets are tested for impairment on an individual basis. All impairment losses are recognised in the income statement. An impairment loss can be reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Fair value estimation

The fair value of financial instruments that are not traded in an active markets is derived the following ways:

(i) Investments at fair value through profit or loss

Fair value is calculated by discounting future cash flows, from investments in both equity and subordinated loans (interest and repayments), the Company at an appropriate discount rate. In determining the discount rate, regard has been given to risk free rates and risk premia that are specific to the individual concessions. The discount rates that have been applied to the financial assets at 31 December 2015 were in the range 6.01% to 10.74%.

(ii) Loans and receivables

Loans and borrowings are held at amortised cost.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values.

Notes to the financial statements for the period ended 31 December 2015

2 ACCOUNTING POLICIES (CONTINUED)

g) Financial Instruments (continued)

Financial liabilities and equity
Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities, including borrowings, are classified as 'other financial liabilities' and are initially measured at fair value. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

h) Financial risk management
The Company has loans from Equitix MA1 LP, the Company's immediate parent, with fixed interest rates. These loans, including accrued interest, are repayable when the Group has sufficient surplus cash. The value of the loan shown on the balance sheet represents the value of the loan as at the balance sheet date.

i) Assessable risks
Credit risk
The Company is not exposed to significant credit risk as the Company derives interest from subsidiaries which are PFI concessions with government departments, local authorities and other public sector clients. Credit risk is generated through the overall performance risk of the projects, deterioration of which might impact their ability to service equity payments. This risk is mitigated through the PFI contract structure, whereby deductions are passed down to the facilities management and construction sub contractors.

Liquidity risk
The Company adopts a prudent approach to liquidity management and maintains sufficient cash reserves to meet its obligations.

Foreign exchange risk
The Company does not currently have any exposure to foreign currency exchange risk, nor does it have any immediate plans to geographically deviate its focus.

j) Share capital
Ordinary shares are classified as equity.

k) Cash and cash equivalents
Cash and cash equivalents comprises cash balances, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

l) Expenses
All expenses are accounted for on an accruals basis. The Company's fees, finance costs and all other expenses are charged through the statement of comprehensive income.

m) Segmental reporting

The Directors are of the opinion that the Company is engaged in a single segment of business, being investment in infrastructure which is currently in private finance initiatives and public private partnership companies in one geographical area, the United Kingdom.

Notes to the financial statements for the period ended 31 December 2015

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

a) Investments at fair value through profit or loss

By virtue of the Company's status as an Investment Entity under IFRS 10, investments in subsidiaries are designated upon initial recognition, and subsequently accounted for, at fair value through profit or loss.

The fair values of unlisted investments, which are not traded in an active market, are determined using valuation techniques. As disclosed in note 2 to the financial statements, the Directors principally use discounted cash flow analysis to make their best estimation of the fair value. The estimate of fair value may vary from the price achieved in an actual sale as potential acquirers may use different valuation criteria for their own strategic reasons.

The principal drivers of internally prepared valuations are therefore:
i) expected future net cash flows; and
ii) the discount rate to be applied.

The fair value estimation takes into account the future distributions to be received by the Company from its investments.

Future distributions involve a degree of uncertainty in terms of their amount and timing. Cash flows in the underlying investments are exposed to risks in relation to deductions that may be made by the relevant Government Authority in relation to performance conditions and inflation.

If the expected future net cash flows were decreased or increased by 10%, with all other variables held constant, the impact on the value of financial assets would be £8,422k loss / gain respectively.

The discount rate is determined in relation to the particular risks for each investment. All relevant risks such as interest rate risk, credit risk and liquidity risk are incorporated in the fair value of the investments by adjusting the expected cash flows or discount rate used for the valuation of investments. The discount rates used for the 2015 valuation were in a range between 6.01% and 10.74%. If the discount rate used in the valuation were increased or decreased by 100 bps, the impact on the value of the financial assets would be a loss of £7,905k or a gain of £11,477k respectively.

A significant portion of the fair value of investments shown on the balance sheet is attributed to the future disposal proceeds of project assets. The value ascribed to these assets has been independently verified by a recognised industry expert in thecurrent year, and is based upon the current asset use continuing at the point of realisation and beyond. Additional risk premia between 0.5% and 1.0% have been added to reflect any additional associated risk.

b) Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in active markets is derived in one of the following ways:

i) Financial assets at fair value through profit and loss
   Financial assets are recognised initially at fair value. Subsequent to initial recognition, the financial assets are measured at fair value using the discounted cash flow methodology. In determining the discount rate, regard is had to risk free rates and risk premia that are specific to the individual concession.
ii) Loans, receivables, and payables
   The carrying value less impairment provision of trade receivables and payables are assumed to approximate to their fair values.
iii) Borrowings
   Intercompany loans are held at amortised cost.

Notes to the financial statements for the period ended 31 December 2015

4 INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") - ADOPTION OF NEW AND REVISED STANDARDS

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- Amendments to IAS 12: Deferred Tax: Recovery of Underlying Assets
- Amendments to IFRS 7 (December 2011): Offsetting of assets and liabilities
- Amendments to IFRS 1 (May 2012): Borrowing costs
- Amendments to IAS 1 (May 2012): Comparative information
- Amendments to IAS 32 (May 2012): Tax effect of equity distributions
- Amendments to IFRS 9 Financial Instruments

The Directors do not expect that the adoption of the other standards listed above will have a material impact on the Company in future periods.

5 OPERATING LOSS

The operating loss of the Company is attributable to the principal activity of the Company, all of which was carried out in the United Kingdom.
The audit fee for Equitix MA 1 Capital Eurobond Limited of £6k has been borne by Equitix MA 1 LP, who will not seek compensation from the Company.

6 DIRECTORS' REMUNERATION

No staff were directly employed by the Company.

No Directors received any remuneration for services to the Company during the period The Company is managed by secondees from Equitix Limited. No recharge for services rendered has been made during the period.

7 INVESTMENT REVENUE

	2015 £'000
Investment revenue	
Interest income on loans to investments	380
Total investment revenue	380

8 FINANCE COSTS

	2015 £'000
Finance cost	
Interest expense on loans from parent entity	(5,260)
Total finance cost	(5,260)

9 TAX CREDIT/(CHARGE) ON LOSS FROM ORDINARY ACTIVITIES

Taxation is based on the loss for the period and comprises:
The charge for the period can be reconciled to the result per the income statement as follows:

	2015 £'000
UK corporation tax at a rate of 20.25%	
Current period	-
Adjustments in respect of prior periods	-
Tax credit / (expense)	-

The differences between the total current tax shown above and the amount calculated by applying the average rate of UK corporation tax to the loss before tax are as follows:

	2015 £'000
Loss on ordinary activities before tax	(6,604)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25%	(1,337)
Tax effect of expenses that are not deductible in determining taxable loss	
Tax effect of income not taxable in determining taxable loss	764
Losses not utilised in the period	574
Tax effect of prior period adjustment - losses surrendered to Consortium Companies	
Total current tax (credit) / expense for the period	-

A deferred tax asset has not been recognised in respect of timing differences relating to excess management expenses for the period as there is insufficient evidence that the asset will be recovered.

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantially enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantially enacted on 26 October 2015.

Notes to the financial statements for the period ended 31 December 2015

10 FAIR VALUE MOVEMENTS ON INVESTMENTS

The loss on investments of £1,765k has been included in the statement of comprehensive income.

The Directors have satisfied themselves as to the methodology used, the discount rates applied and the valuation. Further detail is given in note 11.

11 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 £'000
Opening net book value	-
Acquisition of investment	83,306
Fair value losses	(1,765)
Closing net book value	81,541

The following economic assumptions were used in the discounted cash flow valuations:

	2015
UK inflation rates	3.0%
UK deposit interest rates	0.5% for 2015, therafter 3.5%
UK corporation tax	20.25% for 2015, thereafter 19%

Investments are generally restricted on their ability to transfer funds to the Group under the terms of the senior funding arrangement for that investment. Significant restrictions include:

- Historic and projected debt service and loan life cover ratios exceed a given threshold;
- Required cash reserve account levels are met;
- Senior lenders have agreed the current financial model that forecasts the economic performance of the company;
- Project performance is in compliance with the terms of its senior funding arrangements; and
- Senior lenders have approved the annual budget for the Company.

A list of principal subsidiaries and joint ventures of the Company can be found on pages 24 to 25 of these financial statements.

12 ACQUISITION OF FAIR VALUE THROUGH PROFIT AND LOSS INVESTMENTS

On 27 February 2015 the Company's wholly owned subsidiary, Equitix MA Infrastructure Limited, acquired an 80% holding in the subordinated debt and ordinary share capital of Barking and Dagenham BSF SPV Ltd for £8,400k.

On 11 March 2015 the Company's wholly owned subsidiary, Equitix MA Infrastructure Limited, acquired a 25% holding in the subordinated debt and ordinary share capital of Pebblehall Bio Power Ltd for £9,035k.

On 25 March 2015 the Company's wholly owned subsidiary, Equitix MA Infrastructure Limited, acquired a 40% holding in the subordinated debt and ordinary share capital of Barnsley BSF SPV Ltd for £34,200k.

On 29 October 2015 the Company's wholly owned subsidiary, Equitix MA Infrastructure Limited, acquired a 40% holding in the subordinated debt and ordinary share capital of Glasgow Learning Quarter (Holdings) Ltd for £11,920k.

On 6 November 2015 the Company's wholly owned subsidiary, Equitix MA Infrastructure Limited, acquired a 100% holding in the subordinated debt and ordinary share capital of SEC Highway (No4) Ltd for £7,044k.

On 11 November 2015 the Company's wholly owned subsidiary, Equitix MA Infrastructure Limited, acquired a 50% holding in the subordinated debt and ordinary share capital of Cairnborrow Wind Energy Ltd for £3,267k.

On 15 November 2015 the Company's wholly owned subsidiary, Equitix MA Infrastructure Limited, acquired a 50% holding in the subordinated debt and ordinary share capital of Healthcare Support (Newham) Holdings Ltd for £9,911k.

Notes to the financial statements for the period ended 31 December 2015

13 RECEIVABLES

	2015
	£'000
Interest receivable from investments	1,076
Other receivables	-
Group relief receivable	1
	1,077
Included on the balance sheet as follows:	
Current	1,077
Non-current	-
	1,077

The carrying value of these assets approximates their fair value. There are no past due or impaired receivable balances.

Interest receivable from investments in the current period represents accrued interest on subordinated debt loans to the investments listed in the list of investments (note 21).

14 PAYABLES

	2015
	£'000
Interest payable to parent	(3,417)
Other payables	(1,526)
	(4,943)
Included on the balance sheet as follows:	
Current	(4,943)
Non-current	-
	(4,943)

The carrying amount of these liabilities approximates their fair value. Interest payable to parent in the current period represents accrued interest on loan note borrowings from Equitix MA 1 LP (note 15).

15 BORROWINGS

	2015
	£'000
Loans from Parent Entity	(84,278)
	(84,278)
Included on the balance sheet as follows:	
Current	-
Non-current	(84,278)
	(84,278)

Amounts owing to parent undertaking are composed of interest-bearing intercompany loans of £84,278. The intercompany interest-bearing loans carry an interest rate of 12%, the loan notes are unsecured, have an interest rate of 12% and fall due for repayment on 14 December 2035.

The carrying amount of these liabilities approximates their fair value.

Notes to the financial statements for the period ended 31 December 2015

16 SHARE CAPITAL

	Authorised		
		2015 Number	**2015 £'000**
Ordinary shares of £1 each		1,000	1,000

	Issued and unpaid		
		2015 Number	**2015 £'000**
Ordinary shares of £1 each			
		1,000	1,000
Issued on incorporation and at 31 December		1,000	1,000

17 RETAINED LOSSES

	2015 £'000
Balance at 3 December 2014	-
Net loss for the period	(6,604)
Balance as at 31 December 2015	(6,604)

18 FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that it is able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group borrowings are as disclosed in note 15, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 16 and 17. The Group is not subject to any externally imposed capital requirements.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the bases for recognition of income and expenses in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2.

a) Categories of financial instruments

	2015 £'000
Financial assets	
Fair value through profit and loss	
Investments	81,541
Loans and receivables	
Interest receivable from investments	1,076
Other receivables	1
	82,617
Financial liabilities at amortised cost	
Borrowings	(84,278)
Other payables	(4,943)
	(89,221)

b) Financial risk management objectives

The directors provide advice to the Company on all risks faced and manage the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures faced by degree and magnitude of risk consequences. These risks include market risk, credit risk and liquidity risk.

The Company does not enter into financial derivative contracts.

Market risk

The Company's activities expose it primarily to the financial risks of interest rates and performance risk.

Notes to the financial statements for the period ended 31 December 2015

18 FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk management
The Company has limited exposure to interest rate risk from intra group loans as the underlying borrowings are at a fixed interest rate. Therefore the Company is not exposed to cash flow risk due to changes in interest rates over variable rate borrowings. The fixed rate borrowings are carried at amortised cost and hence not exposed to fair value movements due to changes in interest rates.

Interest rate sensitivity analysis
The Company has no exposure to interest rate risk from intercompany loans because the loans held with Equitix MA 1 LP have a fixed interest rate of 12% to 15%.

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate as a means of mitigating the risk of financial loss from defaults. For cash and cash equivalents the Company only transacts with entities that are rated the equivalent to investment grade and above. Other financial assets consist of amounts receivable from related parties.

The Company only transacts with creditworthy PFI / PPP concession companies that have a cash flow derived from projects in agreement with government or semi-government authorities. Credit risk is generated through the overall performance risk of the projects, deterioration of which might impact their ability to service equity payments. This risk is mitigated through the PFI contract structure, whereby deductions are passed down to the facilities management and construction sub contractors.

Liquidity risk management
Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

Performance risk management
Performance risk management refers to the risk that the underlying project companies will not perform in line with expectations, and as such the Company will not receive forecast cashflows as expected. To mitigate this risk, the projects are closely managed by the asset management team and risks of non-performance are passed onto service providers and subcontractors by the PFI contract structure, leaving the PFI investment insulated from issues of non-performance.

c) Fair value of financial instruments
The fair value of financial assets and liabilities is determined as follows:

The fair value of non-derivative financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices.

The fair value of other non-derivative financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The directors consider that the carrying amounts of financial assets and financial liabilities, recorded at amortised cost in the financial statements, are approximately equal to their fair values.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up on undiscounted cash flows of financial liabilities based on the earliest date the Group could be required to satisfy borrowing repayments. The table includes principal repayment and assumed interest cash flows:

Liabilities

	Less than 1 year	1-2 years	3-5 years	5+ years	Total
2015	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Borrowings	-	-	-	(84,278)	(84,278)
Interest payable to parent	(3,417)	-	-	-	(3,417)
Other payables	(1,526)	-	-	-	(1,526)
	(4,943)	-	-	(84,278)	(89,222)

Notes to the financial statements for the period ended 31 December 2015

18 FINANCIAL INSTRUMENTS (CONTINUED)

Borrowings comprise inter-company loan agreements entered into between the Company and Equitix MA 1 LP.

The following table details the Company's expected maturity for its non-derivative financial assets. The table below has been drawn up based on undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Company anticipates that the cash flow will occur in a different period.

Assets	**Less than 1 year**	**1-2 years**	**3-5 years**	**5+ years**	**Total**
2015	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Interest receivable from investments	1,076	-	-	-	1,076
Other receivables	1	-	-	-	1
	1,077	-	-	-	1,077

d) Fair value of financial instruments

The Company holds a number of financial instruments on the statement of financial position at their fair values. The following hierarchy classifies each class of financial asset or liability depending upon the valuation technique applied in determining its fair value.

i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities,
ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) where inputs are directly or indirectly observable; and
iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data, where the inputs are unobservable.

There have been no transfers between these categories in the current period.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

	2015 Level 1 £'000	**2015 Level 2 £'000**	**2015 Level 3 £'000**	**2015 Total £'000**
Investments at fair value through profit or loss	-	-	81,541	81,541
	-	-	81,541	81,541

Notes to the financial statements for the period ended 31 December 2015

18 FINANCIAL INSTRUMENTS (CONTINUED)

The fair value calculation is performed on a recurring, annual basis, as defined by IFRS 13.

The key assumptions used in determining the fair values of unquoted investments and a sensitivity analysis is disclosed in note 3.

Reconciliation of investments at fair value through profit or loss

	2015 £'000
Opening net book value	-
Acquisitions	83,307
Movement due to change in discount rate	(10,401)
Movement due to change in cash flows	2,427
Movement due to unwinding of discounting calculation	7,885
Receipt of distributions from investments	(1,677)
Closing net book value	81,542

The investments at fair value through profit or loss, whose fair values include the use of Level 3 inputs, are valued by discounting future cash flows from investments in both equity (dividends and equity redemptions) and subordinated loans (interest and repayments) to the Company at an appropriate discount rate. The basis of each discount rate, which is a weighted average cost of capital, is a long run average government bond rates adjusted by an appropriate premium to reflect PPP specific risk, phase of the PPP project and counterparty credit risk. The weighted average discount rate applied was 6.3%. The discount rate is considered the most significant unobservable input through which an increase or decrease would have a material impact on the fair value of the investments at fair value through profit or loss. An increase in 1% in the discount rate would cause a decrease in fair value of the investments of £7.9m.

For a sensitivity analysis of Financial Assets at fair value through profit or loss, refer to note 3.

Gearing ratio

The gearing ratio at the period end is as follows:

	2015 £'000
Debt	(84,278)
Cash and cash equivalents	-
Net debt	(84,277)
Equity	(6,603)
Net debt to equity ratio	109%

Debt is defined as long- and short-term borrowings (excluding derivatives) as detailed in note 15.

Equity includes all capital and reserves of the Group that are managed as capital.

19 RELATED PARTY TRANSACTIONS

Profit and loss account transactions

Related party	Transaction description	2015 £'000
Equitix MA 1 LP	Interest Paid	(5,260)
Equitix MA Infrastructure Limited	Director Fees	52
Equitix MA Infrastructure Limited	Interest Received	380
		(4,828)

Notes to the financial statements for the period ended 31 December 2015

19 RELATED PARTY TRANSACTIONS (CONTINUED)

Balance sheet items		Amounts owed by related parties 2015 £'000	Amounts owed to related parties 2015 £'000
Related party	**Transaction description**		
Equitix MA 1 LP	Loan notes	-	(84,278)
Equitix MA 1 LP	Interest creditor	-	(3,417)
Equitix MA Infrastructure Limited	Interest debtor	1,358,337	-
		1,358,338	(87,694)

20 ULTIMATE PARENT

The Company's immediate parent company is Equitix MA 1 Fund Holdco Limited, a company incorporated in Guernsey. The Company's ultimate parent and controlling entity, is Equitix MA 1 LP, a limited partnership registered in England and Wales. The Company's results are not consolidated as the Company and its ultimate parent entity meets the criteria of Investment Entities under IFRS 10 and the Company's parent does not prepare consolidated accounts.

21. SUBSIDIARIES AND JOINT VENTURES AS AT 31 DECEMBER 2015

Company name	Percentage of shares held	Number and class of shares held	Principal activity	Country of incorporation
Equitix MA 1 Capital Eurobond Limited	100% ordinary	100 ordinary £1 shares	Immediate parent company to Equitix MA Infrasructure Ltd	UK
Equitix MA Infrastructure Limited	100% ordinary	100 ordinary £1 shares	Parent company to the Equitix MA 1 Infrastructure division	UK
Barnsley Partnership for Learning Limited	50% ordinary	28000 ordinary £1 shares	Parent to Barnsley Holdco One Limited	UK
Barnsley Partnership for Learning Two Limited	50% ordinary	18000 ordinary £1 shares	Parent to Barnsley Holdco Two Limited	UK
Barnsley Partnership for Learning Three Limited	50% ordinary	18000 ordinary £1 shares	Parent to Barnsley Holdco Three Limited	UK
Barnsley Local Education Partnerhsip Limited	50% ordinary	10000 Ordinary 'C' £1 shares	Procurement partnership for secondary schools	UK
Barnsley Holdco One Limited	50% ordinary	18000 ordinary 'A' £1 shares, 2500 orindary 'B'	Parent to Barnsley SPV One Limited	UK
Barnsley Holdco Two Limited	50% ordinary	18000 ordinary 'A' £1 shares, 2500 orindary 'B'	Parent to Barnsley SPV Two Limited	UK
Barnsley Holdco Three Limited	50% ordinary	18000 ordinary 'A' £1 shares, 2500 orindary 'B'	Parent to Barnsley SPV Three Limited	UK
Barnsley SPV One Limited	50% ordinary	25000 ordinary £1 shares	Provider of education facilities under a PFI concession	UK
Barnsley SPV Two Limited	50% ordinary share	25000 ordinary £1 shares	Provider of education facilities under a PFI concession arrangement with the Council of	UK
Barnsley SPV Three Limited	50% ordinary share	25000 ordinary £1 shares	Provider of education facilities under a PFI concession arrangement with the Council of	UK
TPFL PSP One Limited	100% ordinary	4000 ordinary £1 shares	Parent company to TPFL Hold Co Ltd	UK
TPFL PSP Two Limited	100% ordinary	36000 ordinary £1 shares	Parent company to TPFL Hold Co Ltd	UK
Thames Partnership For Learning Limited	80% ordinary	4000 ordinary £1 shares	Procurement partnership for secondary schools	UK
TPFL Hold Co Limited	72% ordinary	36000 ordinary A £1 shares 5000	Parent company to TPFL Project Co Ltd	UK
TPFL Project Co Limited	72% ordinary	36000 ordinary £1 shares	Provider of education facilities under a PFI concession	UK
Pebbelhall Bio Power Limited	25% ordinary	500 ordinary £0.005 shares	Parent company to Welland Bio Power Ltd	UK
Welland Bio Power Limited	25% ordinary	250 ordinary £0.01 shares	Project company responsible for the construction, operation and	UK
FER Limited	40% ordinary	40 ordinary £1 shares	Parent company to the Glasgow College education PFI project	UK
Glasgow Learning Quarter (Holdings) Limited	40% ordinary	360 ordinary £1 shares	Parent company to Glasgow Learning Quarter Limited	UK
Glasgow Learning Quarter Limited	40% ordinary	40 ordinary £1 shares	Provider of education facilities under a PFI concession	UK

21. SUBSIDIARIES AND JOINT VENTURES AS AT 31 DECEMBER 2015 (continued)

Company name	Percentage of shares held	Number and class of shares held	Principal activity	Country of incorporation
SEC Highway (No.4) Limited	100% ordinary share capital	100 ordinary £1 shares	Parent company to Dorset Lighting (Finance) Ltd	UK
Dorset Lighting (Finance) Limited	100% ordinary share capital	100 ordinary £1 shares	Project company responsible for the operation and management of the Dorset Lighting project.	UK
Cairnborrow Wind Energy Limited	50% ordinary share capital	52 ordinary £1 shares	Project company responsible for the operation and management of the Cairnborrow Wind	UK
CFS Newham Limited	100% ordinary share capital	100,000 ordinary £1 shares	Parent company to Healthcare Suport Newham (Holdings) Ltd	UK
Healthcare Support (Holdings) Limited	50% ordinary share capital	25,000 ordinary £1 shares	Parent company to Healthcare Suport (Newham) Ltd	UK
Healthcare Support (Newham) Limited	50% ordinary share capital	25,000 ordinary £1 shares	Provider of Healthcare facilities under a PFI concession arrangement with Newham Council	UK

EQUITIX MA 1 LP

WELKEN HOUSE, 10 -11 CHARTERHOUSE SQUARE, LONDON, EC1M 6EH

Equitix MA 1 Capital Eurobond Ltd
Welken House
10-11 Charterhouse Square
London
EC1M 6EH

29 April 2016

Ref: Support letter Equitix MA 1 Capital Eurobond Limited

To the Directors of Equitix MA 1 Capital Eurobond Limited,

In light of the net current liabilities position of Equitix MA 1 Capital Eurobond Limited (the "Company") as at 31 December 2015, Equitix MA 1 LP (the "Parent") hereby declares that it will continue to provide financing and resources to the Company for a period of at least twelve months from the date of this letter.

Complete support will be offered to the Company to meet the settlement of its liabilities as they fall due for this period.

The Parent intends to continue to own the entire issued share capital of the Company for a period of at least twelve months from the date of this letter.

On behalf of the Board of Directors of Equitix MA GP1 Limited
as General Partner of Equitix MA 1LP,

KEES JAGER
Director

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