

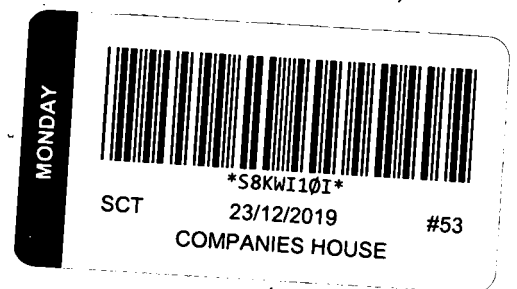
Company Registration No. 08827508 (England and Wales)

PPDI FINANCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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EDINBURGH

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PPDI FINANCE LIMITED

COMPANY INFORMATION

Directors	J McDonagh A Ray
Secretaries	J McKay Pinsent Masons Secretarial Limited
Company number	08827508
Registered office	1 Park Row Leeds United Kingdom LS1 5AB
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Atria One 144 Morrison Street Edinburgh EH3 8EX

PPDI FINANCE LIMITED

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PPDI FINANCE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and audited financial statements for the year ended 31 March 2019.

Principal activities

The principal activity of PPDI Finance Limited ("the Company") is that of issuing debt to enable its subsidiary, PPDI Assetco Limited to invest in secondary PFI projects on behalf of PPP Equity PIP LP ('the Fund'). This debt is in the form of unsecured loan notes listed on the Channel Islands Stock Exchange.

On 14 March 2019, under a Deed of Adherence, a subsidiary company, PPDI Assetco Limited, transferred its investment in Civis PFI/PPP Infrastructure Fund LP to PPDI Assetco2 Limited, a fellow group company. As a consequence, the Company cancelled loans due to it by PPDI Assetco Limited that related to this asset and then cancelled £22,192,511 of 6% index-linked Eurobonds that were due to the fund. The transfer was made at market value.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J McDonagh

A Ray

M Ryan

(Resigned 31 August 2018)

Results and dividends

The results for the year are set out on page 8.

The loss for the financial year will be transferred to reserves.

The directors are satisfied with the overall performance of the Company and do not foresee any significant change in the Company's activities in the coming financial year.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

PPDI FINANCE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Going concern

The board has prepared detailed financial forecasts and cash flows looking over 12 months ahead from the date the financial statements are signed. In drawing up these forecasts, the board has made assumptions based upon its view of the current and future economic condition that will prevail over the forecast period.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, indicate that the Company should be able to operate within the level of its current resources. The Company's going concern is dependent on the performance of the investments held by its subsidiary, PPDI Assetco Limited. After reviewing the performance of these investments, which is done on a regular basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, despite any economic uncertainties. In forming this conclusion, it has been taken into consideration that all committed investments of the company and its subsidiary holding companies are covered by commitments from the partners of the PPP Equity PIP LP ("the Fund").

In light of this, the directors continue to adopt the going concern basis of accounting in preparing the year end financial statements. As the Company has both net current liabilities and net liabilities as at 31 March 2019, Dalmore Capital 6 GP Limited has provided a letter of support to the company in its capacity as general partner of the Fund. This letter states that PPP Equity PIP LP will not discontinue providing support in the 12 month period from signing of the financial statements.

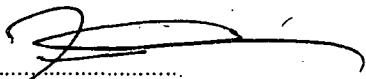
Key performance indicators

In its role as a holding company there are no key performance indicators for the directors to monitor. However, from a group point of view the performance of the underlying investments are assessed regularly (at least every six months) by testing the cash resources against the bank lending covenants. The investments are performing well and have been compliant with the covenants laid out in the respective loan agreements.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption contained within Part 15 of the Companies Act 2006.

On behalf of the board



J McDonagh

Director

23/12/19

PPDI FINANCE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 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.

PPDI FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF PPDI FINANCE LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, PPDI Finance Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

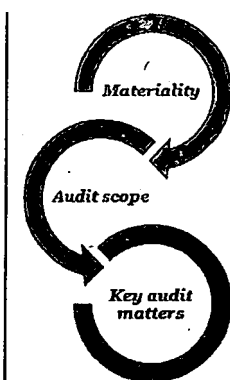
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



Overall materiality: £3,373,929 (2018: £3,465,202) based on 1% of Total Assets.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

We tailored the scope of our audit taking into account the significant balance within the Company, the accounting processes and controls, and the industry in which the Company operates.

All audit work was performed by one team in the UK.
We have no key audit matters to report.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

PPDI FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBER OF PPDI FINANCE LIMITED

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We determined that there were no key audit matters applicable to the company to communicate in our report.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	£3,373,929 (2018: £3,465,202).
How we determined it	1% of Total Assets.
Rationale for benchmark applied	As the company is a non-profit orientated intermediate investments holding company, we deemed total assets to be the most appropriate benchmark..

We agreed with the Directors that we would report to them misstatements identified during our audit above £168,696 (2018: £173,260) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

PPDI FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBER OF PPDI FINANCE LIMITED

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

PPDI FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBER OF PPDI FINANCE LIMITED

Other required reporting

Companies Act 2006 exception reporting

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small company regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



**Mark Hoskyns-Abrahall (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh**

23 December 2019

PPDI FINANCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Interest receivable and similar income	6	28,388,609	50,515,231
Interest payable and similar expenses	7	(28,388,609)	(50,515,231)
Impairment of long term investments in loans		-	(6,619,054)
Result/loss before taxation		-	(6,619,054)
Tax on result/loss	8	-	-
Result/(loss) for the financial year		-	(6,619,054)

There are no items of other comprehensive income in the current or prior year. The result for the year represents the total comprehensive expense for the year.

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

PPDI FINANCE LIMITED


STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	2019 £	£	2018 £	£
Fixed assets					
Investments	9		314,953,415		331,553,890
Current assets					
Debtors: amounts falling due within one year	11	22,439,485		14,966,296	
Creditors: amounts falling due within one year	12	(47,337,058)		(34,271,833)	
Net current liabilities			(24,897,573)		(19,305,537)
Total assets less current liabilities			290,055,842		312,248,353
Creditors: amounts falling due after more than one year	13		(320,503,315)		(342,695,826)
Net liabilities			(30,447,473)		(30,447,473)
Capital and reserves					
Called up share capital	14		1,002		1,002
Accumulated losses			(30,448,475)		(30,448,475)
Total shareholders' deficit			(30,447,473)		(30,447,473)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 23/12/19 and are signed on its behalf by:


J McDonagh
Director

Company Registration No. 08827508

PPDI FINANCE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Accumulated losses £	Total equity £
Balance at 1 April 2017	1,002	(23,829,421)	(23,828,419)
Year ended 31 March 2018:			
Loss and total comprehensive expense for the financial year	-	(6,619,054)	(6,619,054)
Balance at 31 March 2018	1,002	(30,448,475)	(30,447,473)
Year ended 31 March 2019:			
Result and total comprehensive expense for the financial year	-	-	-
Balance at 31 March 2019	1,002	(30,448,475)	(30,447,473)

PPDI FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

PPDI Finance Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Park Row, Leeds, United Kingdom, LS1 5AB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the Company.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value through the profit and loss. The principal accounting policies adopted are set out below.

The Company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated financial statements, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the Company as an individual entity and not about its group.

1.2 Going concern

The Company has net liabilities as at 31 March 2019. Further details with regards to going concern are provided within the Directors' Report.

1.3 Investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.4 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

PPDI FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.5 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

1.6 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income 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 reporting end date.

PPDI FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. 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.

1.7 Cash flow

The Company has taken the available exemption from the requirement to draw up a cash flow statement in accordance with paragraph 1.12b of FRS102.

2 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 amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of investments

The directors are required to annually review the Company's investments for indicators that they have been impaired. This requires them to revalue the underlying assets that the Company and its subsidiaries and associate are invested in. The valuation method is based on a discounted cash flow model, so the directors are required to make judgements about the most appropriate discount rate, growth rate and the future financial performance of each of the underlying assets. The directors will also consider other factors such as the non-financial performance of the various assets.

3 Auditors' remuneration

Audit fees of £3,500 (2018: £3,500) and tax compliance services of £nil (2018: £2,700) were paid to the Company's auditors and were borne by PPP Equity PIP LP.

PPDI FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Staff costs and directors' remuneration

The Company had no employees during the financial year (2018: none).

The directors did not receive any remuneration in respect of their services to the Company during the year to 31 March 2019 (2018: £nil).

5 Impairment of long term loan investment in loans

During the year, the Company recognised an impairment charge of £nil (2018: £6,619,054) relating to the loan investment reflecting its recoverable amount at the financial year end.

6 Interest receivable and similar income

	2019 £	2018 £
Interest receivable and similar income includes the following:		
Interest and loan indexation receivable on loans from subsidiary undertakings	28,388,609	50,515,231

7 Interest payable and similar expenses

	2019 £	2018 £
Interest payable and similar expenses includes the following:		
Interest and indexation payable on Eurobonds	28,388,609	50,515,231

PPDI FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8 Tax on result/loss

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Result/(loss) before taxation	-	(6,619,054)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	-	(1,257,620)
Tax effect of expenses that are not deductible in determining taxable profit	-	1,257,620
Taxation charge for the year	-	-

9 Investments

	2019 £	2018 £
Investments	1,002	1,002
Loans	314,952,413	331,552,888
	314,953,415	331,553,890

The Company holds 100,200 ordinary shares in PPDI Assetco Limited, being 100% of its issued share capital. The registered office of PPDI Assetco Limited is 1 Park Row, Leeds, LS1 5AB.

The Company advances loans to its subsidiary PPDI Assetco Limited in order for it to make investments. These loans bear interest at rates varying between 6% index-linked (in line with RPix) and 9% and have maturity dates between 28 February to 23 September 2039.

On 14 March 2019, under a Deed of Adherence, a subsidiary company, PPDI Assetco Limited, transferred its investment in Civis PFI/PPP Infrastructure Fund LP to PPDI Assetco2 Limited, a fellow group company. As a consequence, the Company cancelled loans of £22,088,475 due to it by PPDI Assetco Limited that related to this asset.

PPDI FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

9 Investments

(Continued)

Movements in investments

	Shares in group undertakings £	Loans to group undertakings £	Total £
Cost or valuation			
At 1 April 2018	1,002	331,552,888	331,553,890
Additions	-	5,480,000	5,480,000
Disposals	-	(22,080,475)	(22,080,475)
At 31 March 2019	1,002	314,952,413	314,953,415
Carrying amount			
At 31 March 2019	1,002	314,952,413	314,953,415
At 31 March 2018	1,002	331,552,888	331,553,890

PPDI FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

10 Subsidiaries

Details of the Company's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Aura (DC) Limited	1	Holding company	Ordinary A Tracker		100.00
Blue3 (Staffs) (Holdings) Limited	1	Holding company	Ordinary		100.00
Blue3 (Staffs) Limited	1	Holding company	Ordinary		100.00
Cobalt Project Investments (Hull) Limited	1	Holding company	Ordinary A Tracker		99.00
Cobalt Project Investments (Hull-Sewell) Limited	1	Holding company	Ordinary A Tracker		99.00
Colne Topco Limited	1	Holding company	Ordinary		72.12
Dormy Hub Investments LLP	1	Holding entity	Partnership capital		100.00
Dormy Memberco Limited	1	Designated member	Ordinary		100.00
IHS Lothian Corporate Holdings Limited	1	Holding company	Ordinary		100.00
IHS Lothian Corporate Limited	1	Holding company	Ordinary		100.00
IHS Lothian Holdings Limited	2	Holding company	Ordinary		100.00
IHS Lothian Investments Limited	2	Holding company	Ordinary		100.00
IHS Lothian Limited	3	PFI	Ordinary		100.00
PPDI Assetco Limited	1	Holding company	Ordinary	100.00	
Transform Schools (Knowsley) Holdings Limited	2	Holding company	Ordinary A and Ordinary B		100.00
Transform Schools (Knowsley) Intermediate Limited	2	Holding company	Ordinary		100.00
Transform Schools (Knowsley) Limited	2	PFI	Ordinary		100.00
UK NPD Investments LP	4	Holding entity	Partnership capital		97.43
Browning PFI Holdings 2014 Limited	1	Holding company	Ordinary		100.00
Browning PFI Holdings Limited	1	Holding company	Ordinary		100.00
Browning PFI 2003 Limited	1	Holding company	Ordinary		100.00
Pinnacle Schools (Fife) Holdings Limited	1	Holding company	Ordinary		100.00
Pinnacle Schools (Fife) Limited	1	PFI	Ordinary		100.00
Victory Support Services (Portsmouth) Holdings Limited	5	Holding company	Ordinary		100.00
Victory Support Services (Portsmouth) Limited	5	PFI	Ordinary		100.00

PPDI FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

10 Subsidiaries

(Continued)

Registered Office addresses:

- 1 1 Park Row, Leeds, LS1 5AB
- 2 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
- 3 15 Lauriston Place, Edinburgh, EH3 9EP
- 4 200 Aldersgate Street, London, EC1A 4HD
- 5 c/o Albany Spc Services Limited 3rd Floor, 3-5 Charlotte Street, Manchester, England, M1 4HB

11 Debtors: amounts falling due within one year

	2019 £	2018 £
Amounts owed by group undertakings	22,439,485	14,966,296

Amounts due from group undertakings are unsecured, interest-free and are repayable on demand.

12 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to subsidiary undertaking	1,002	1,002
Accruals	47,336,056	34,270,831
	47,337,058	34,271,833

Accruals relate to interest and indexation outstanding on loans advanced to those parties.

PPDI FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

13 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Eurobonds payable to parent undertaking	320,503,315	342,695,826

These relate to amounts that have been advanced by Dalmore Capital 6 GP Limited in its capacity as general partner of PPP Equity PIP LP. These loans bear interest at rates varying between 6% index-linked (in line with RPI-X) and 9% and have maturity dates between 28 February and 23 September 2039. It is at the company's discretion to defer the payment of interest and where it elects to, amounts deferred are rolled up into the loans.

On 14 March 2019, as part of a restructure, the Company cancelled £22,192,511 of 6% index-linked Eurobonds that were due to PPP Equity PIP LP. These Eurobonds related to an investment in Civis PFI/PPP Infrastructure Fund LP that had been transferred by the Company's subsidiary, PPDI Assetco Limited, to PPDI Assetco2 Limited.

14 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
100,200 (2018: 100,200) Ordinary shares of 1p each	1,002	1,002

15 Related party transactions

The company has taken advantage of the exemption contained in section 33 of FRS 102, not to disclose transactions or balances with wholly owned entities which form part of the group.

16 Controlling party

The immediate parent undertaking is PPDI Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The ultimate controlling party is PPP Equity PIP LP, a limited partnership registered in England. Copies of the financial statements of PPP Equity PIP LP can be obtained from the General Partner c/o Dalmore Capital Limited, 2nd Floor, Caledonian Exchange, 19a Canning Street, Edinburgh, United Kingdom, EH3 8EG.

PPDI FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

17 Related undertakings

In addition to the entities disclosed in note 10, the Company has the following related undertakings all of which are incorporated in the United Kingdom. Unless otherwise stated, all of the holdings that the Company has in each of the entities are indirect - these are stated in brackets after each company name.

Entities which have their registered address at Cannon Place, 78 Cannon Street, London EC4N 6AF:

- Aura (Newcastle) Holding Company Limited (50.00%)
- Aura (Newcastle) Holding Company Phase 2 Limited (50.00%)
- Aura (Newcastle) Project Company Limited (50.00%)
- Aura (Newcastle) Project Company Phase 2 Limited (50.00%)
- Aura Holdings (Newcastle) Limited (62.50%)
- Consort Healthcare (Durham) Holdings Limited (50.00%)
- Consort Healthcare (Durham) Limited (50.00%)
- Hull Esteem Consortium Debtco Limited (52.80%)
- Hull Esteem Consortium Debtco2 Limited (52.80%)
- Hull Esteem Consortium Holdco 1 Limited (58.74%)
- Hull Esteem Consortium Holdco 2 Limited (64.668%)
- Hull Esteem Consortium LEP Limited (52.80%)
- Hull Esteem Consortium Projectco 1 Limited (58.74%)
- Hull Esteem Consortium Projectco 2 Limited (64.68%)
- Hull Esteem Consortium PSP Limited (66.00%)

Entities which have their registered address at c/o Albany Spc Services Limited 3rd Floor 3-5 Charlotte Street, Manchester, England, M1 4HB:

- Dudley Summit PLC (33.33%)
- Falcon Support Services Limited (50.00%)
- Falcon Support Services (Holdings) Limited (50.00%)
- Inspiredspaces Rochdale (Holdings 2) Limited (35.72%)
- Inspiredspaces Rochdale (Projectco 2) Limited (35.72%)
- Minerva Education and Training (Holdings) Limited (45.00%)
- Minerva Education and Training Limited (45.00%)
- Pyramid Accommodation Services (Southampton) Holdings Limited (50.00%)
- Pyramid Accommodation Services (Southampton) Limited (50.00%)
- Pyramid Schools (Cornwall) Holdings Limited (50.00%)
- Pyramid Schools (Cornwall) Limited (50.00%)
- Pyramid Schools (Hadley) Holdings Limited (50.00%)
- Pyramid Schools (Hadley) Limited (50.00%)
- Pyramid Schools (Tameside) Holdings Limited (50.00%)
- Pyramid Schools (Tameside) Limited (50.00%)
- Summit Healthcare (Dudley) Limited (33.33%)
- Summit Holdings (Dudley) Limited (33.33%)
- West Yorkshire PFI Operational Training & Accommodation (Holdings) Limited (50.00%)
- West Yorkshire PFI Operational Training & Accommodation Limited (50.00%)

Entities which have their registered address at Carnbane House, Shepherds Way, Newry, BT36 6EE:

- Belfast Education Services (Dungannon) Holdings Limited (50.00%)
- Belfast Education Services (Dungannon) Limited (50.00%)
- Belfast Education Services (Omagh) Holdings Limited (50.00%)
- Belfast Education Services (Omagh) Limited (50.00%)
- Belfast Educational Services (Holdings) Limited (33.33%)
- Belfast Educational Services Limited (33.33%)

Entities which have their registered address at 1 Park Row, Leeds, England, LS1 5AB:

- Colne TopCo Limited (72.12%)
- Dalmore Capital (Rochdale 2) Limited (44.10%)
- Dorny Hub Investments LLP (66.67%)

PPDI FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

17 Related undertakings (continued)

Entities which have their registered address at Building P05 Merville Barracks, Circular Road South, Colchester, Essex, CO2 7UT:

- RMPA Holdings Limited (30.20%)
- RMPA Nominees Limited (30.20%)
- RMPA Services PLC (30.20%)

Entities which have their registered address at Unw Lip Citygate, St. James Boulevard, Newcastle Upon Tyne, United Kingdom, NE1 4JE:

- Aura Newcastle Limited (50.00%)