

Registered number: 11145738

EQUITIX CAPITAL EUROBOND 5 LIMITED

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2019

EQUITIX CAPITAL EUROBOND 5 LIMITED

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EQUITIX CAPITAL EUROBOND 5 LIMITED

COMPANY INFORMATION

DIRECTORS G A Jackson
H B Crossley
J C Smith
S L Jones (appointed 5 July 2019)

REGISTERED NUMBER 11145738

REGISTERED OFFICE 3rd Floor
South Building
200 Aldersgate Street
London
EC1A 4HD

INDEPENDENT AUDITOR KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

EQUITIX CAPITAL EUROBOND 5 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

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 year, and the ongoing performance and value of the investment portfolio. Please refer to the Strategic Report for further detail.

DIRECTORS

The Directors who served during the year except as noted, are shown on page 2.

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 group. The Company has obtained a letter of support from its ultimate parent. After making enquiries, the Directors have a reasonable expectation that the Company and its parents 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 Fund V LP;
- the Company has limited other outgoings and funding can be drawn down from the Fund's Partners if required to meet these obligations; and
- the Fund financial model, which consolidates the returns from the Company's investment portfolio.

The Directors of the Company have considered the impact of the COVID-19 global pandemic which has arisen in 2020 when preparing these financial statements. Refer to Note 2 Accounting Policies and Note 20 Post Balance Sheet Events.

FUTURE DEVELOPMENTS

Details of future developments can be found in the Strategic Report on page 6 and form part of this report by cross-reference.

FINANCIAL RISK MANAGEMENT

The Company's management of financial risks including interest rate, credit and liquidity risk during the year are detailed in note 2.8.

AUDITOR

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed 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 ought to have been taken as a Director in order to be 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.

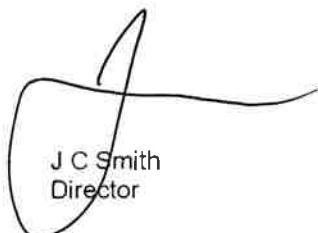
EQUITIX CAPITAL EUROBOND 5 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

AUDITOR (continued)

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the board and signed on its behalf.



J C Smith
Director

Date: 24 July 2020

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT,
DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRS as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

EQUITIX CAPITAL EUROBOND 5 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

PRINCIPAL ACTIVITIES

The principal activity of Equitix Capital Eurobond 5 Limited (the "Company") is to act as a holding company for the Equitix Fund V LP investments in core Public Private Partnerships ("PPP") and other core infrastructure.

BUSINESS REVIEW

Thameslink

On 13th March 2019, the Company entered into a loan agreement for £33.3m with an interest rate of 11% with a group entity, Equitix Fund V Finco Limited. On 13th March 2019 the company entered into a loan agreement of £32.8m, with an interest rate of 7% and £396k being non interesting bearing with its subsidiary Equitix Infrastructure 5 Ltd for the purpose of acquiring an interest in the equity of Equitix Galvani Ltd.

Equitix Galvani Ltd holds an interest in the Thameslink programme, a North-South London commuter rail corridor and critical infrastructure linking key hubs and destinations.

Surrey Lighting Services Limited

On 25th June 2019, the Company entered into a loan agreement for £9.5m with an interest rate of 11% with a group entity, Equitix Fund V Finco Limited. On 25th June 2019 the company entered into a loan agreement of £4.6m, with an interest rate of 12.5% and £4.9m being non interesting bearing with its subsidiary Equitix Infrastructure 5 Ltd for the purpose of acquiring an interest in the equity of Equitix Bright Holdco Ltd.

Equitix Bright Holdco holds an interest in Surrey Lighting Services Limited, which is contracted by Surrey County Council to design, install, refurbish and maintain 87,762 lighting columns throughout the districts of Surrey.

Croydon & Lewisham Street Lighting

On 13th March 2019, the Company entered into a loan agreement for £7.6m with an interest rate of 11% with a group entity, Equitix Fund V Finco Limited. On 25th June 2019 the company entered into a loan agreement of £3.8m, with an interest rate of 12.5% and £3.8m being non interesting bearing with its subsidiary Equitix Infrastructure 5 Ltd for the purpose of acquiring an interest in the equity of Equitix Bright Holdco Limited.

Equitix Bright Holdco holds an interest in Croydon & Lewisham Street Lighting Services which is involved with replacing 90% of the street lighting apparatus in the London Borough of Croydon and Lewisham, and the ongoing operation and maintenance of 48,000 lighting points.

The Directors have considered a number of potential outcomes arising from the UK's exit from the European Union in 2019 and believe that the Company has sufficient reserves and business controls to address any financial impact of these outcomes for the foreseeable future and has decided not to make a specific provision in the accounts. Due to the availability-based nature of our portfolios and focus on contracted cashflows, this means there will be little to no impact on income/cashflows from Brexit. Due to the inflation linkage of asset returns, it is likely that the majority of project distributions should be correlated with inflation. The pipeline of assets that we will acquire are expected to be brownfield investments that are already operating and yielding and there is a fundamental need for infrastructure in the UK, regardless of the ultimate terms of Brexit and secession.

EQUITIX CAPITAL EUROBOND 5 LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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 at the individual project company;
- the progress of the individual project companies;
- the comparison of actual cash flows to those that have been forecast;
- the value of investments held in the group 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 financial models show the values of the current portfolio are performing in line with expectations and the project documentation with no material or significant unavailability deductions being suffered in the year.

The results for the year are shown on page 11 in the Statement of Comprehensive Income. This shows a loss before tax of £17,496k (2018: £5,772k) and a net finance expense amounting to £12,518k (2018: £5,772k). The profit for the year includes an decrease in the fair value of the investments of £5,299k (2018: £nil). The Directors do not recommend the payment of a dividend (2018: £nil).

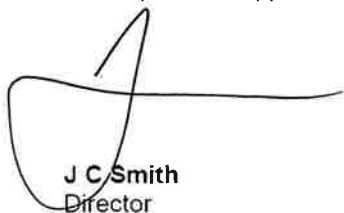
FUTURE DEVELOPMENTS

The Directors of the Company are not aware of any circumstances by which the principal activity of the Company would alter or cease.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has entered into inter-company loan agreements with a related group entity and with its subsidiaries. A principal risk is the Company not receiving interest payments in order to make interest payments to the lender company. Therefore, the Company's main concerns are attributable to the sound operation of the underlying 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 infrastructure assets through achieving efficiencies at project level and by maximising synergies at portfolio level.

This report was approved by the board and signed on its behalf.



J C Smith
Director

Date: 24 July 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX CAPITAL EUROBOND 5 LIMITED

Opinion

We have audited the financial statements of Equitix Capital Eurobond 5 Limited ("the company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX CAPITAL EUROBOND 5 LIMITED

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX CAPITAL EUROBOND 5 LIMITED

The purpose of our audit work and to whom we owe our responsibilities

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.



Matthew Williams (Senior Statutory Auditor)

for and on behalf of KPMG, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL

Date: 24 July 2020

EQUITIX CAPITAL EUROBOND 5 LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Investment income	7	19,196	512
Fair value loss on investments	9	(5,299)	-
Operating profit	5	<u>13,897</u>	<u>512</u>
Finance costs	8	(31,393)	(6,284)
Loss before tax		<u>(17,496)</u>	<u>(5,772)</u>
Tax	10	-	-
Loss for the financial year		<u><u>(17,496)</u></u>	<u><u>(5,772)</u></u>

All of the above relates to continuing activities.

The notes on pages 16 to 42 form part of these financial statements.

The Company has no items of comprehensive income other than the loss for the year, therefore a separate Statement of Other Comprehensive Income has not been prepared.

EQUITIX CAPITAL EUROBOND 5 LIMITED
REGISTERED NUMBER: 11145738

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 (Restated*) £000
Assets			
Non-current assets			
Investments held at fair value	11	289,768	245,319
		<u>289,768</u>	<u>245,319</u>
Current assets			
Interest receivable	12	2,808	512
Cash and cash equivalents		1	-
		<u>2,809</u>	<u>512</u>
Total assets		<u>292,577</u>	<u>245,831</u>
Liabilities			
Non-current liabilities			
Borrowings	14	295,795	-
		<u>295,795</u>	<u>-</u>
Current liabilities			
Interest payable	13	11,474	6,284
Borrowings	14	8,576	245,319
		<u>19,950</u>	<u>251,603</u>
Total liabilities		<u>19,950</u>	<u>251,603</u>
Net liabilities		<u>(23,268)</u>	<u>(5,772)</u>

EQUITIX CAPITAL EUROBOND 5 LIMITED
REGISTERED NUMBER: 11145738

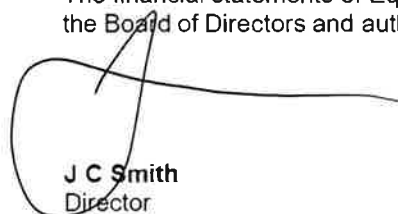
STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

	Note	2019 £000	2018 (Restated*) £000
Equity			
Share capital	15	-	-
Retained losses		(23,268)	(5,772)
Shareholders deficit		<u>(23,268)</u>	<u>(5,772)</u>

* See note 2

The notes on pages 16 to 42 form part of these financial statements.

The financial statements of Equitix Capital Eurobond 5 Limited, registered number 11145738, were approved by the Board of Directors and authorised for issue and were signed on its behalf by:



J C Smith
Director

Date: 24 July 2020

EQUITIX CAPITAL EUROBOND 5 LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Retained earnings £000	Total equity £000
At 11 January 2018	-	-
Loss for the period	(5,772)	(5,772)
Total comprehensive loss for the period	<u>(5,772)</u>	<u>(5,772)</u>
At 31 December 2018	<u>(5,772)</u>	<u>(5,772)</u>
At 1 January 2019	(5,772)	(5,772)
Loss for the year	(17,496)	(17,496)
Total comprehensive loss for the year	<u>(17,496)</u>	<u>(17,496)</u>
At 31 December 2019	<u>(23,268)</u>	<u>(23,268)</u>

The notes on pages 16 to 42 form part of these financial statements.

EQUITIX CAPITAL EUROBOND 5 LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £000	2018 (Restated*) £000
Cash flows from operating activities		
Loss for the year/period	(17,496)	(5,772)
Adjustments for		
Interest income	(19,196)	(512)
Finance cost	31,393	6,284
Fair value loss on investments	5,299	-
Interest received	17,470	-
Dividends and other investment income	(321)	-
Cash generated from operating activities	<u>17,149</u>	<u>-</u>
Cash flows from financing activities		
Interest paid	(16,579)	-
Cash used in financing activities	<u>(16,579)</u>	<u>-</u>
Cash flows from investing activities		
Principal repayment	(569)	-
Cash used in investing activities	<u>(569)</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>1</u>	<u>-</u>
Cash and cash equivalents at the beginning of year	-	-
Cash and cash equivalents at the end of the year	<u><u>1</u></u>	<u><u>-</u></u>

* See Note 2

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. GENERAL INFORMATION

Equitix Capital Eurobond 5 Limited (the "Company") is a private company limited by shares incorporated, domiciled and registered in England and Wales in the UK under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 6. These financial statements are presented in pounds sterling, being the currency of the primary economic environment in which the Company operates. Monetary amounts are rounded to the nearest £'000.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements are prepared on the historical cost basis except certain financial assets measured at fair value. As a consequence of the Company's parent meeting the criteria to be defined as an Investment Entity under International Financial Reporting Standard (IFRS) 10, Consolidated Financial Statements ("IFRS 10"), the Company's results are not consolidated into a parent entity. The Company has considered the need to prepare consolidated financial statements, however, 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, 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.

As such it is required to account for its investments at fair value through profit and loss and hence has not prepared consolidated financial statements.

IFRS 10 requires the Company to measure its interests in subsidiary investments under IFRS 9: Financial Instruments ("IFRS 9") and IFRS 13: Fair Value Measurement ("IFRS 13"). The investments are valued at fair value with gains or losses on measurement of investments accounted for through profit or loss (see note 11).

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Prior year adjustments

Presentation of borrowings

In the prior year borrowings were classified as non-current liabilities of the Company, however, these were required to be settled within 364 days of issuance and have therefore been re-classified as current liabilities as at 31 December 2018. The impact of this is to increase current liabilities and reduce non-current liabilities by £245,319k, with no impact on net assets. These borrowings were repaid during 2019 by way of issuance of quoted Eurobonds maturing in 2043.

Cash flow statement

Following a reassessment of the presentation of the receipt and settlement of dividends and interests and loan repayments from/to parent/subsidiaries by the Fund on behalf of the Company, the 2018 cash flow statement has been restated. The restatement decreased cash used in financing activities by £245,319k and increased cash used in investing activities by £245,319k. It has had no impact on net assets as at 1 January 2018 or 31 December 2018 or the net cash flows and profit for the year ended 31 December 2018.

2.2 Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through its borrowings from related entities, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the parent entity not seeking repayment of the amounts currently due to the group headed by Equitix Fund V LP ("Group"), which at 31 December 2019 amounted to £315,845k (2018: £245,319k), and providing additional financial support during that year. The parent has indicated its intention to continue to make available such funds as are needed by the Company, and that it does not intend to seek repayment of the amounts due at the Statement of Financial Position date, for the year covered by the forecasts. As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

As noted in the Directors Report, the Company has long term contracts with its client, the Fund, which has stable cashflow from the underlying investment portfolio to meet its obligations. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next twelve months from the date of signing of financial statements. Accordingly, they adopt the going concern basis in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (continued)

2.2 Going concern (continued)

As part of these enquiries, the Directors have also considered the impact of the COVID-19 global pandemic, which has resulted in unprecedented risks and significant levels of volatility and reduced asset prices in global equity and bond markets. The main risk resulting from COVID-19 for the Company is in respect of the impact on the valuation of investments held at fair value through profit and loss. This Company's performance is intrinsically linked with the performance of the Company and the Directors have considered the impact on the Fund of potentially lower valuations and do not consider there to be any significant impact on the going concern basis of preparation as the Company has a diverse mix of investments in various sectors and as certain investments and their associated dividend and interest income are backed a government counterparty, the directors have considered that no severe but plausible downside event would prevent the Fund being able to meet its liabilities as they fall due. In conjunction with this assessment, the Directors believe the Company, and the wider group, has sufficient reserves and business controls to address any financial impact and therefore the Directors consider there is no significant impact on the going concern basis of preparation of these financial statements.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.3 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. It is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

Income from participating interests

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

2.4 Borrowings

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.

2.5 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (continued)

2.6 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the period. Taxable loss differs from the net loss as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods 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 Statement of Financial Position 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 loss, and is accounted for using the Statement of Financial Position 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.

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 Statement of Financial Position 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 year when the liability is settled or the asset is realised based on tax laws and the rates that have been enacted at the Statement of Financial Position 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.

2.7 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 IFRS 9.

Financial assets

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

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

2. ACCOUNTING POLICIES (continued)

2.7 Financial instruments (continued)

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 infrastructure 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 pricing 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 purposes of this disclosure. The Company measures its investments as a single class of financial assets at fair value in accordance with IFRS 13. Subsequent to initial recognition, the investments are measured on a combined basis at fair value with changes recognised within the Statement of Comprehensive Income.

Investments in subsidiaries

The Company is required, as an Investment Entity (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 infrastructure assets that are subsidiaries at fair value in accordance with IFRS 13 and IFRS 9 with changes in fair value recognised in profit or loss in the period of change.

The Company holds 100% of the issued share capital of several subsidiaries, which own a portfolio of invested companies and their associated intermediate holding companies. The fair value of investments is determined by valuing the underlying portfolio invested 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 year end are taken directly to the Statement of Comprehensive Income.

Recent transactions, within 3 months of the measurement date, are valued at the transaction price as the directors judge this to be a reasonable indicator of fair value. Subsequently, investments 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 Statement of Financial Position 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 'amortised cost'. These financial instruments 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 Statement of Financial Position date which are classified as non current assets. The Company's loans and receivables comprise 'cash and cash equivalents' in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (continued)

2.7 Financial instruments (continued)

Impairment of financial assets

Financial Assets measured at amortised cost are assessed for impairment under the expected credit loss model ("ECL"). Assessment for impairment is based on a three-stage approach based on changes in credit risk since initial recognition, with each stage representing a change in the credit risk of Financial Assets. If a significant increase in credit risk is identified, the financial instrument is moved from stage one to stage two but is not yet deemed to be credit impaired; financial instruments that are deemed to be credit impaired are moved to stage three. The expected credit loss for stage one financial instruments is equal to the portion of lifetime expected credit losses that result from default events within the next twelve months. The expected credit loss for stage two and three financial instruments is equal to expected credit losses on a lifetime basis. ECLs are recognised in the Statement of Comprehensive Income. Amounts receivable from Financial Assets are written off, when the Company concludes that there is no longer any realistic prospect of recovery of part or all of the receivable. Amounts receivable from Financial Assets are reviewed regularly and write off will be prompted by insolvency, adverse changes in operations and similar events associated with the Financial Asset.

Fair value estimation

The fair value of financial instruments that are not traded in an active market with unobservable inputs, is derived in one of 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), of the Company at an appropriate discount rate. In determining the discount rate, regard has been given to risk free rates and risk premier that are specific to the individual concessions.

In the current period, for all investments made in the final quarter of the period, it has been determined that cost represents an accurate fair value due to short time period between acquisition and year end.

ii) Loans and receivables

Receivables are recognised at fair value and subsequently measured at amortised cost.. The carrying value less impairment provision of trade receivables are assumed to approximate the fair values.

Financial liabilities and equity

Debt and equity instruments are classified as either liabilities or 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.

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

2. ACCOUNTING POLICIES (continued)

2.8 Assessable risks

Credit risk

The partnership is exposed to credit risk in respect of its assets as outlined on the Statement of Financial Position through possible default of the relevant counterparty. The maximum gross exposure to credit risk, before credit enhancements and other mitigants, is represented by the carrying amounts of the financial assets that are carried on the Statement of Financial Position. This risk is mitigated through a combination of diversification of exposures across multiple projects and sectors, the majority of credit counterparties for projects being government, government backed or quasi-government bodies, and the presence of collateral and credit enhancements at the project level including charges over, or ownership of, physical assets. This risk is therefore not considered to be significant.

Interest rate risk

The Company's investments have various senior debt agreements to fund project construction and operations. These loans are non-recourse to the Company and are typically raised with a floating interest rate. 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 risk

The Company has adopted a policy of only dealing with creditworthy counterparties and PFI/PPP concession was 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 Company 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 project and matching maturity profiles of financial assets and liabilities. The Company's policy throughout the year 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 has no exposure to foreign exchange risk.

Performance risk

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

2.9 Share capital

Ordinary shares are classified as equity.

2.10 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (continued)

2.11 Expenses

All expenses are accounted for on an accruals basis. The Directors' fees, finance costs and all other expenses are charged through the Statement of Comprehensive Income.

3. CRITICAL ACCOUNTING JUDGEMENTS AND 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.

Inter-company agreements - Interest Rate

The Company's loan agreements with its related group entity, Equitix Fund V Finco Ltd, carry an annual interest rate of 11%, reflecting the market rate attributable to similar instruments, therefore the Directors believe that the loan note value in these financial statements reflects fair value at the Statement of Financial Position date.

Eurobond Loan Notes - Interest rate

The Company has listed Eurobonds on The International Stock Exchange with a fixed interest rate of 11% which have been purchased by Equitix Fund V Finco Limited, the ultimate parent of the Company. These form the primary source of funding for the Company. The debt terms are comparable to the applicable terms for similar listed debt instruments in the current market so, therefore, the Directors believe that the loan note value in these financial statements reflects fair value at the Statement of Financial Position date.

Investments at fair value through profit or loss

By virtue of the Company's status as an investment entity and the associated requirement of IFRS 10, subsidiaries are designated upon initial recognition and subsequently to be 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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

**3. CRITICAL ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY
(continued)**

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 procuring party (the majority are Government Authorities) in relation to performance conditions, demand, availability and inflation.

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. Recent transactions, within 3 months of the measurement date, are valued at the transaction price as the directors judge this be a reasonable indicator of 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 premium 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.

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

A number of new standards are effective 1 January 2019 but do not have a material effect on the Company's financial statements. The notable new standards are listed below:

- IFRS 16 'Leases' (1 January 2019);
- IFRIC 23 'Uncertainty over Income Tax Treatments' (1 January 2019)
- Amendments resulting from the annual improvements to IFRS Standards 2015-2017 Cycle (1 January 2019)

Standards issued but not yet effective

The following Adopted IFRSs have been issued however the Company has not early adopted the new or amended standards in preparing these financial statements.

- Amendments to References to the Conceptual Framework in IFRS Standards and Revised Conceptual Framework (effective 1 January 2020)
- Definition of Material (Amendments to IAS 1 and IAS 8) (effective 1 January 2020)
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) (effective 1 January 2020)

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.

EQUITIX CAPITAL EUROBOND 5 LIMITED

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

5. OPERATING PROFIT

The operating profit 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 Capital Eurobond 5 Limited of £11k (2018:£7k) has been borne by Equitix Fund V LP, who will not seek compensation from the Company. There were no non-audit fees paid to the auditors (2018: £nil).

6. DIRECTORS' REMUNERATION

No staff were directly employed by the company. (2018:none)

No Directors received any remuneration for services to the Company during the year. The Company is managed by secondees from Equitix Limited. No recharge for services rendered has been made during the year (2018: £nil).

7. INVESTMENT INCOME

	2019 £000	2018 £000
Recognised in the Statement of Comprehensive Income		
Interest income	18,875	512
Other investment income	321	-
	<u>19,196</u>	<u>512</u>

8. FINANCE COSTS

	2019 £000	2018 £000
Recognised in the Statement of Comprehensive Income		
Interest expense	31,393	6,284
	<u>31,393</u>	<u>6,284</u>

9. FAIR VALUE LOSS ON INVESTMENTS

The loss on investments of £5,299k (2018: £nil) 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 3 and 11.

EQUITIX CAPITAL EUROBOND 5 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. TAX

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

	2019 £000	2018 £000
Loss before tax	(17,496)	(5,772)
	<u>(17,496)</u>	<u>(5,772)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018:19%)	(3,324)	(1,097)
Income and fair value movements not subject to taxation	1,007	97
Losses not utilised in the year/period	2,317	1,000
	<u>-</u>	<u>-</u>
Total tax expense for the year/period	<u>-</u>	<u>-</u>

A deferred tax asset has not been recognised in respect of timing differences relating to the accumulated loss from excess management expenses as there is insufficient evidence that the asset will be recovered. The amount of the deferred tax asset not recognised is £2,941k calculated at 17%, the rate substantively enacted at the Statement of Financial Position date.

Changes in tax rates and factors affecting the future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

11. INVESTMENTS

	2019 £000	2018 £000
Opening balance	245,319	-
Acquisitions	50,803	245,319
Repayment of principal	(1,055)	-
Fair value loss	(5,299)	-
	<u>289,768</u>	<u>245,319</u>
Closing balance	<u>289,768</u>	<u>245,319</u>

EQUITIX CAPITAL EUROBOND 5 LIMITED

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

11. INVESTMENTS (continued)

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

UK inflation rate	3% for 2019, long term 3%
UK deposit interest rates	0.5% for 2019, long term 1%
UK corporation tax	19% for 2019, long term 17%

Investments are generally restricted on their ability to transfer funds to the Company 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 subsidiaries and joint ventures of the Company can be found in note 19 of these financial statements.

12. RECEIVABLES

	2019 £000	2018 £000
Interest receivable from investments	2,808	512
	<u>2,808</u>	<u>512</u>
Included on the Statement of Financial Position as follows:		
Current	2,808	512
	<u>2,808</u>	<u>512</u>

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

EQUITIX CAPITAL EUROBOND 5 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. OTHER PAYABLES

	2019 £000	2018 £000
Interest payable	11,474	6,284
	<u>11,474</u>	<u>6,284</u>
Included on the Statement of Financial Position as follows:		
Current	11,474	6,284
	<u>11,474</u>	<u>6,284</u>

The carrying amount of these liabilities approximates their fair value.

14. BORROWINGS

	2019 £000	2018 (Restated*) £000
11% Unsecured Eurobonds	295,795	-
Loans from related undertaking	8,576	245,319
	<u>304,371</u>	<u>245,319</u>
Included on the Statement of Financial Position as follows:		
Current	8,576	245,319
Non-current	295,795	-
	<u>304,371</u>	<u>245,319</u>

* See Note 2.

The 11% Unsecured Eurobonds have been issued under a programme with a cap of £920m shared with Equitix Capital Eurobond 5 Ltd, a related entity. The liability for issued Eurobonds is not joint and several but remains separate between the two issuers. The total amount issued is £578m (2018: £nil) with £342m remaining authorised to be issued. The Eurobonds are repayable in 2043, or earlier at the option of the borrower, and bear interest at a rate of 11%.

The Company also enters into 11% interest-bearing 364-day loans with a related entity, Equitix Fund V Finco Ltd. These loans mature 364 days after issuance, are unsecured, and may be repaid early at the option of the borrower.

EQUITIX CAPITAL EUROBOND 5 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. SHARE CAPITAL

	2019 Number	2019 £	2018 Number	2018 £
Authorised				
Unpaid ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

16. FINANCIAL INSTRUMENTS*Capital risk management*

The Company 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 Company borrowings are as disclosed in note 14, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained losses as disclosed in note 15. The Company 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 basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Categories of financial instruments

	2019 £000	2018 £000
Financial assets		
Fair value through profit or loss		
Fixed asset investments	289,768	245,319
Interest receivable	2,808	512
Loans and receivables at amortised cost		
Cash and cash equivalents	1	-
	<u>292,577</u>	<u>245,831</u>
Financial liabilities at amortised cost		
Loans	(304,371)	(245,319)
Interest payable	(11,474)	(6,284)
	<u>(315,845)</u>	<u>(251,603)</u>

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

16. FINANCIAL INSTRUMENTS (continued)

Borrowings comprise inter-company loan agreements and eurobonds held by Equitix Fund V Finco Limited.

Financial risk management

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. The Company follows the Equitix Fund V LP Group's policies approved by the board of Directors. The Company does not enter into or trade financial instruments including derivative financial instruments, for speculative purposes.

Market risk

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

Interest rate risk management

The Company has limited exposure to interest rate risk as debt issued to Equitix Fund V Finco Ltd has a fixed interest rate of 11% and the majority of the underlying borrowings are fixed rate loans. Therefore the Company has limited exposure 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 Group has limited exposure to interest rate risk because the debt issued to Equitix Fund V Finco Ltd have fixed interest rates of 11%.

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 cash flows as expected. To mitigate this risk, the projects are closely managed by the asset management team and risks of non-performance are passed on to service providers and subcontractors by the contract structure, leaving the investment insulated from issues of non-performance.

Credit risk management

The Company is exposed to credit risk in respect to its current assets as outlined in the Statement of Financial Position through possible default of the relevant counterparty. The maximum gross exposure to credit risk, before credit enhancements and other mitigates, is represented by the carrying amounts of the financial assets that are carried on the Statement of Financial Position. This risk is mitigated through a combination of diversification of exposures across multiple projects and sectors, the majority of credit counterparties for projects being government, government backed or quasi-government bodies, and the presences of collateral and credit enhancements at the project level including charges over, or ownership of, physical assets. This risk is therefore not considered to be significant.

The Company's subsidiaries and investments transact with creditworthy infrastructure companies that have a cash flow derived from projects in agreement with government or semi-government authorities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. FINANCIAL INSTRUMENTS (continued)*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.

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 Company could be required to satisfy borrowing repayments. The table includes principal repayment and assumed interest cash flows.

Liabilities

	2019 £000	2018 (Restated*) £000
Less than 1 year		
Interest payable	11,474	6,284
Borrowings	8,576	245,319
5+ years		
Borrowings	295,795	-
	<u>315,845</u>	<u>251,603</u>
Total		
Interest payable	11,474	6,284
Borrowings	304,371	245,319
	<u>315,845</u>	<u>251,603</u>

* See Note 2.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. FINANCIAL INSTRUMENTS (continued)

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

	2019 £000	2018 £000
Less than 1 year		
Interest receivable from investment	2,808	512
	<hr/>	<hr/>
5+ years		
Investments held at fair value	289,768	245,319
	<hr/>	<hr/>
Total		
Interest receivable from investments	2,808	512
Investments held at fair value	289,768	245,319
	<hr/> <hr/>	<hr/> <hr/>

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 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, where inputs are observable;
- 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 year.

EQUITIX CAPITAL EUROBOND 5 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. FINANCIAL INSTRUMENTS (continued)

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:

	2019 £000	2018 £000
Level 3		
Investments at fair value through profit or loss	289,768	245,319
	<u>289,768</u>	<u>245,319</u>

Interest receivable has been determined to be a level 2 item.

Financial liabilities held at amortised cost are determined to be level 3 items, the basis for their measurements and recognition are disclosed in note 2.

The key assumptions used in determining the fair values of level 3 investments and a sensitivity analysis is disclosed in note 3. The reconciliation below quantifies the impact of key unobservable inputs, being the discount rates, on the value of the investments.

Gearing ratio

The gearing ratio at the year end is as follows:

	2019 £000	2018 £000
Debt	(304,371)	(245,319)
Cash and cash equivalents	1	-
Net debt	<u>(304,370)</u>	<u>(245,319)</u>
Equity	<u>(23,268)</u>	<u>(5,772)</u>
The debt to capital ratio is	108%	102%

Debt is defined as long- and short-term borrowings (excluding derivatives) as detailed in note 14. Equity includes all capital and reserves of the Company that are managed as capital.

EQUITIX CAPITAL EUROBOND 5 LIMITED

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

17. RELATED PARTY TRANSACTIONS

Trading transactions

During the period the Company entered into the following transactions with related parties.

	Investment Income 2019 £'000	Interest expense 2019 £'000	Investment Income 2018 £'000	Interest expense 2018 £'000
Related party				
Equitix Fund V Finco Limited	-	(31,393)	-	(6,284)
Equitix Infrastructure 5 Limited	19,196	-	512	-
	<u>19,196</u>	<u>(31,393)</u>	<u>512</u>	<u>(6,284)</u>

	Amounts owed by related party 2019 £'000	Amounts owed to related party 2019 £'000	Amounts owed by related party 2018 £'000	Amounts owed to related party 2018 £'000
<u>Statement of Financial Position</u>				
Related party				
Equitix Fund V Finco Limited	-	(315,845)	-	(251,603)
Equitix Infrastructure 5 Limited	292,577	-	245,831	-
	<u>292,577</u>	<u>(315,845)</u>	<u>245,831</u>	<u>(251,603)</u>

Amounts owed by Equitix Infrastructure 5 Ltd are loan notes recognised as investments held at fair value in the Statement of Financial Position. The terms of the loan notes reflect the structure of the underlying infrastructure investment.

18. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is Equitix Fund Holdco 5 Limited, registered address Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB, a Company incorporated in Guernsey. The Company's ultimate parent and controlling entity, is Equitix Fund V LP, registered address 3rd Floor, South Building, 200 Aldersgate Street, London, EC1A 4HD, a Limited Partnership registered in England and Wales. The Company's results are not consolidated as the Company's immediate parent and its ultimate parent entity meets the criteria of Investment Entities under IFRS 10. The Company's parent does not prepare consolidated accounts.

EQUITIX CAPITAL EUROBOND 5 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. SUBSIDIARIES AND JOINT VENTURES AS AT 31 DECEMBER 2019

Company name	Initial investment	Industry sector	Country of domicile	Equity holding	Registered address
Equitix Infrastructure 5 Ltd	26/03/2018	Holding Company	UK	100%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
Equitix Bright Holdco Ltd	25/06/2019	Street Lighting	UK	100%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
SLS Holding Company Ltd	25/06/2019	Street Lighting	UK	78%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Surrey Lighting Services Ltd	25/06/2019	Street Lighting	UK	78%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Croydon and Lewisham Lighting Services (Holdings) Ltd	25/06/2019	Street Lighting	UK	78%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Croydon and Lewisham Lighting Services Ltd	25/06/2019	Street Lighting	UK	78%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Equitix Galvani Ltd	13/03/2019	Rolling Stock	UK	19%	3rd Floor, South Building, 200 Aldersgate Street, London, United Kingdom, EC1A 4HD
Galvani JV Co Ltd	13/03/2019	Rolling Stock	UK	10%	3rd Floor, South Building, 200 Aldersgate Street, London, United Kingdom, EC1A 4HD
Galvani Midco Ltd	13/03/2019	Rolling Stock	UK	10%	3rd Floor, South Building, 200 Aldersgate Street, London, United Kingdom, EC1A 4HD
Galvani Bidco Ltd	13/03/2019	Rolling Stock	UK	10%	3rd Floor, South Building, 200 Aldersgate Street, London, United Kingdom, EC1A 4HD
Cross London Trains Holdco 2 Limited	13/03/2019	Rolling Stock	UK	3%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Cross London Trains Holdco 1 Limited	13/03/2019	Rolling Stock	UK	3%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Cross London Trains Finance Company Limited	13/03/2019	Rolling Stock	UK	3%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Cross London Trains Limited	13/03/2019	Rolling Stock	UK	3%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Fenton Holdco Limited	12/10/2018	UK PPP	UK	47%	10-11 Charterhouse Square, London, United Kingdom, EC1M 6EH
Jura Holdings Limited	12/10/2018	Holding Company	Guernsey	47%	1st Floor Albert House South Esplanade St. Peter Port GUERNSEY GY1 1AJ
Jura Investment Limited	12/10/2018	Holding Company	Guernsey	47%	1st Floor Albert House South Esplanade St. Peter Port GUERNSEY GY1 1AJ
Jura Acquisition Limited	12/10/2018	Holding Company	Guernsey	47%	1st Floor Albert House South Esplanade St. Peter Port GUERNSEY GY1 1AJ

EQUITIX CAPITAL EUROBOND 5 LIMITED

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

19. SUBSIDIARIES AND JOINT VENTURES AS AT 31 DECEMBER 2019 (continued)

Company name	Initial investment	Industry sector	Country of domicile	Equity holding	Registered address
Fenton UK 1	12/10/2018	Holding Company	Jersey	55%	44 Esplanade St Helier Jersey JE4 9WG
Fenton UK 2	12/10/2018	Holding Company	Jersey	55%	44 Esplanade St Helier Jersey JE4 9WG
Fenton UK 4	12/10/2018	Holding Company	Jersey	55%	44 Esplanade St Helier Jersey JE4 9WG
JLIF Holdings (Peterborough Hospital) Ltd	12/10/2018	Healthcare	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
Peterborough (Progress Health) Holdings Ltd	12/10/2018	Healthcare	UK	17%	Hcp Social Infrastructure (uk) Limited, 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Peterborough (Progress Health) Nominee Ltd	12/10/2018	Healthcare	UK	17%	Hcp Social Infrastructure (uk) Limited, 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Peterborough (Progress Health) Plc	12/10/2018	Healthcare	UK	17%	Hcp Social Infrastructure (uk) Limited, 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Fenton UK 3	12/10/2018	Holding Company	Jersey	55%	44 Esplanade St Helier Jersey JE4 9WG
Palio (No. 8) Limited	12/10/2018	Housing	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
PFI Islington (Holdings) Limited	12/10/2018	Housing	UK	25%	4-6 Colebrooke Place, London, N1 8HZ
Partners for Improvement in Islington Ltd	12/10/2018	Housing	UK	25%	4-6 Colebrooke Place, London, N1 8HZ
PFI Islington 2 (Holdings) Limited	12/10/2018	Housing	UK	25%	4-6 Colebrooke Place, London, N1 8HZ
Partners for Improvement in Islington 2 Ltd	12/10/2018	Housing	UK	25%	4-6 Colebrooke Place, London, N1 8HZ
Meridian Hospital Company (Holdings) Limited	12/10/2018	Healthcare	UK	15%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Meridian Hospital Company Plc	12/10/2018	Healthcare	UK	15%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
JLIF Holdings (Regeneration and Social Housing) Limited	12/10/2018	Housing	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD

EQUITIX CAPITAL EUROBOND 5 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. SUBSIDIARIES AND JOINT VENTURES AS AT 31 DECEMBER 2019 (continued)

Company name	Initial investment	Industry sector	Country of domicile	Equity holding	Registered address
JLW Excellent Homes for Life Limited	12/10/2018	Housing	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Inspiral Oldham Holding Company Limited	12/10/2018	Housing	UK	52%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Inspiral Oldham Limited	12/10/2018	Housing	UK	52%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
JLIF Holdings (Street Lighting) Limited	12/10/2018	Street Lighting	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
JLIF Holdings (Lambeth Social Housing) Limited	12/10/2018	Housing	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
Regenter Myatts Field North Holding Company Limited	12/10/2018	Housing	UK	28%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Regenter Myatts Field North Company Limited	12/10/2018	Housing	UK	28%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
JLIF Holdings (Croydon and Lewisham Street Lighting) Limited	12/10/2018	Street Lighting	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
Palio (No. 5) Ltd	12/10/2018	Housing	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
Regenter B3 Holdco Limited	12/10/2018	Housing	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Regenter B3 Ltd	12/10/2018	Housing	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Palio (No. 6) Ltd	12/10/2018	Housing	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
Regenter LCEP Holdco Ltd	12/10/2018	Housing	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Regenter LCEP Ltd	12/10/2018	Housing	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Palio (No. 2) Ltd	12/10/2018	Accommodation	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
Modus Services Holdings Ltd	12/10/2018	Accommodation	UK	14%	46 Charles Street, Second Floor, Cardiff, Wales, CF10 2GE
Modus Services Ltd	12/10/2018	Accommodation	UK	14%	46 Charles Street, Second Floor, Cardiff, Wales, CF10 2GE

EQUITIX CAPITAL EUROBOND 5 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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19. SUBSIDIARIES AND JOINT VENTURES AS AT 31 DECEMBER 2019 (continued)

Company name	Initial investment	Industry sector	Country of domicile	Equity holding	Registered address
Prime Care Solutions (Kingston) Holdings Ltd	12/10/2018	Healthcare	UK	33%	8 White Oak Square, London Road, Swanley, England, BR8 7AG
Prime Care Solutions (Kingston) Ltd	12/10/2018	Healthcare	UK	33%	8 White Oak Square, London Road, Swanley, England, BR8 7AG
JLIF (Holdings) A55 Limited	12/10/2018	Transport	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
UK Highways A55 (Holdings) Limited	12/10/2018	Transport	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
UK Highways A55 Limited	12/10/2018	Transport	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Regenter Bentilee District Centre (Holding) Ltd	12/10/2018	Commercial	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Regenter Bentilee District Centre Limited	12/10/2018	Commercial	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Healthcare Support (Erdington) Holdings Limited	12/10/2018	Healthcare	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Healthcare Support (Erdington) Limited	12/10/2018	Healthcare	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
JLIF Holdings (AVP&C) Limited	12/10/2018	Transport	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
John Laing Rail Infrastructure Ltd	12/10/2018	Transport	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Aylesbury Vale Parkway Limited	12/10/2018	Transport	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Walsall Public Lighting Holding Company Ltd	12/10/2018	Street Lighting	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Walsall Public Lighting Ltd	12/10/2018	Street Lighting	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Amey Highway Lighting (Manchester) Holdings Ltd	12/10/2018	Street Lighting	UK	28%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Amey Highway Lighting (Manchester) Ltd	12/10/2018	Street Lighting	UK	28%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG

EQUITIX CAPITAL EUROBOND 5 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. SUBSIDIARIES AND JOINT VENTURES AS AT 31 DECEMBER 2019 (continued)

Company name	Initial investment	Industry sector	Country of domicile	Equity holding	Registered address
Fenton UK 5	12/10/2018	Holding Company	Jersey	55%	44 Esplanade St Helier Jersey JE4 9WG
IIC Barnet Funding Investment Limited	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
IIC Barnet Subdebt Limited	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
IIC Barnet Holding Company Ltd	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
Barnet Lighting Services Limited	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
IIC Lambeth Funding Investment Limited	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
IIC Lambeth Subdebt Limited	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
IIC Lambeth Holding Company Limited	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
Lambeth Lighting Services Limited	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
IIC Enfield Funding Investment Limited	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
IIC Enfield Subdebt Limited	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
IIC Enfield Holding Company Limited	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
Enfield Lighting Services Limited	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
IIC Miles Platting Funding Investment Ltd	12/10/2018	Social Housing	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
IIC Miles Platting Subdebt Ltd	12/10/2018	Social Housing	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
IIC Miles Platting Equity Ltd	12/10/2018	Social Housing	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ

EQUITIX CAPITAL EUROBOND 5 LIMITED

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

19. SUBSIDIARIES AND JOINT VENTURES AS AT 31 DECEMBER 2019 (continued)

Company name	Initial investment	Industry sector	Country of domicile	Equity holding	Registered address
Renaissance Miles Platting Holding Company Ltd	12/10/2018	Social Housing	UK	28%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
Renaissance Miles Platting Limited	12/10/2018	Social Housing	UK	28%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
IIC Redcar & Cleveland Funding Investment Ltd	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
IIC Redcar & Cleveland Subdebt Ltd	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
IIC Redcar & Cleveland Holding Company Ltd	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
Redcar & Cleveland Lighting Services Ltd	12/10/2018	Street Lighting	UK	55%	Third Floor Broad Quay House, Prince Street, Bristol, United Kingdom, BS1 4DJ
Partners for Improvement Camden Holdings Ltd	12/10/2018	Housing	UK	55%	24 Conduit Place, London, W2 1EP
Partners for Improvement Camden Ltd	12/10/2018	Housing	UK	55%	24 Conduit Place, London, W2 1EP
Jura JV Co 1	12/10/2018	Holding Company	Jersey	55%	44 Esplanade St Helier Jersey JE4 9WG
JLIF Holdings (CGL) Limited	12/10/2018	Transport	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
City Greenwich Lewisham Rail Link Plc	12/10/2018	Transport	UK	29%	73 Norman Road, Greenwich, London, SE10 9QF
Palio (No.11) Ltd	12/10/2018	Healthcare	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
Forth Health Holdings Ltd	12/10/2018	Healthcare	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Forth Health Ltd	12/10/2018	Healthcare	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Palio (No.12) Ltd	12/10/2018	Telecommunication	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
Citylink Telecommunications Holdings Ltd	12/10/2018	Telecommunication	UK	18%	Quadrant House, Thomas More Square, London, England, E1W 1YW

EQUITIX CAPITAL EUROBOND 5 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. SUBSIDIARIES AND JOINT VENTURES AS AT 31 DECEMBER 2019 (continued)

Company name	Initial investment	Industry sector	Country of domicile	Equity holding	Registered address
Citylink Telecommunications Ltd	12/10/2018	Telecommunication	UK	18%	Quadrant House, Thomas More Square, London, England, E1W 1YW
Healthcare Support (North Staffs) Holdings Limited	12/10/2018	Healthcare	UK	28%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Healthcare Support (North Staffs) Finance Plc	12/10/2018	Healthcare	UK	28%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Healthcare Support (North Staffs) Limited	12/10/2018	Healthcare	UK	9%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
JLIF Holdings (Project Service) UK Limited	12/10/2018	Holding Company	UK	55%	3rd Floor South Building, 200 Aldersgate Street, London, England, EC1A 4HD
JLIF Holdings (Barcelona Metro) Limited	12/10/2018	Transport	UK	2%	3rd Floor South Building, 200 Aldersgate Street, London, England, EC1A 4HD
JAL Masterco	12/10/2018	Transport	Jersey	62%	44 Esplanade St Helier Jersey JE4 9WG
JAL Holdco	12/10/2018	Transport	Jersey	62%	44 Esplanade St Helier Jersey JE4 9WG
JAL Midco	12/10/2018	Transport	Jersey	62%	44 Esplanade St Helier Jersey JE4 9WG
JLIF Holdings (Agility Trains West) Limited	12/10/2018	Transport	UK	62%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD
Rail Investment (Great Western) Limited	12/10/2018	Transport	UK	31%	1 Kingsway, London, WC2B 6AN
Agility Trains West (Holdings) Limited	12/10/2018	Transport	UK	9%	4th Floor 4 Copthall Avenue, London, EC2R 7DA
Agility Trains West (Midco) Limited	12/10/2018	Transport	UK	9%	4th Floor 4 Copthall Avenue, London, EC2R 7DA
Agility Trains West Limited	12/10/2018	Transport	UK	9%	4th Floor 4 Copthall Avenue, London, EC2R 7DA
JLIF Limited Partnership	12/10/2018	Holding Company	UK	55%	120 Aldersgate Street, London, United Kingdom, EC1A 4JQ
JLW Excellent Homes For Life Holdings Company Limited	12/10/2018	Housing	UK	55%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG

EQUITIX CAPITAL EUROBOND 5 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. SUBSIDIARIES AND JOINT VENTURES AS AT 31 DECEMBER 2019 (CONTINUED)

Company name	Initial investment	Industry sector	Country of domicile	Equity holding	Registered address
Amey Highways Lighting (Wakefield) Holding Ltd	12/10/2018	Street Lighting	UK	28%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Amey Highways Lighting (Wakefield) Ltd	12/10/2018	Street Lighting	UK	28%	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
Palio (No. 3) Limited	12/10/2018	Healthcare	UK	55%	3rd Floor, South Building, 200 Aldersgate Street, London, England, EC1A 4HD

20. POST BALANCE SHEET EVENTS

During the period from the date of the Statement of Financial Position to the date of the financial statements were approved, the coronavirus (COVID-19) outbreak has caused extensive disruptions to businesses and economic activities globally. The uncertainties over the emergence and spread of COVID-19 have caused market volatility on a global scale. The quantum of the effect on the underlying investment portfolio and activity of the Company is difficult to determine, however the Directors are monitoring the situation and considering the effect it may have on the valuation of any impacted underlying portfolio companies in the future. In accordance with the requirements of IFRS, the fair valuations at the date of the Statement of Financial Position reflect the economic conditions in existence at that date. The next date at which a valuation of unquoted investments will be performed will be as at 31 December 2020. The Directors do not believe there is any financial impact to the Financial Statements as at 31 December 2019 as a result of this subsequent event.