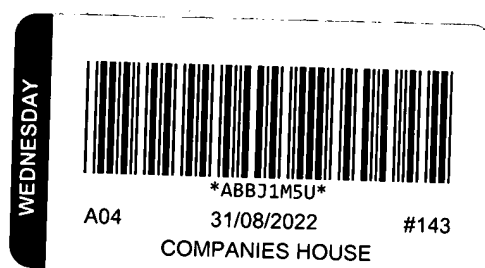


Registration number: 03131198

Semperian PPP Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2022



Semperian PPP Holdings Limited

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Semperian PPP Holdings Limited

Company Information

Directors	J M Simpson C Burlton
Company secretary	Semperian Secretariat Services Limited
Registered office	4th Floor 1 Gresham Street Prince Street London United Kingdom EC2V 7BX
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Temple Quay Bristol BS2 0FR

Semperian PPP Holdings Limited

Strategic Report for the Year Ended 31 March 2022

The directors present their strategic report for the year ended 31 March 2022.

Principal activity

The principal activity of the company is to hold investments in undertakings engaged in the development and funding of investment opportunities in Private Finance Initiative markets.

Results and review of business

The profit for the year is set out in the profit and loss account on page 10. The company has continued to receive income from its subsidiaries and the directors are satisfied that the company's investments are performing in line with the directors' long term expectations. Accordingly, the carrying value of investments, as shown in the balance sheet, remains supportable, and the prospects for the future are considered to be satisfactory.

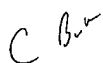
Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties and financial risk management policies are integrated with the principal risks of the Semperian PPP Investment Partners Holdings Limited group of companies ("the group") and are not managed separately. Accordingly, the principal risks and uncertainties of Semperian PPP Investment Partners Holdings Limited, which include those of the company, are discussed in the Semperian PPP Investment Partners Holdings Limited consolidated report and financial statements which does not form part of this report.

Key performance indicators ('KPIs')

Given the nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Approved by the Board on ~~...18 August 2022....~~ and signed on its behalf by:


.....
C Burlton
Director

Semperian PPP Holdings Limited

Directors' Report for the Year Ended 31 March 2022

Registration number: 03131198

The directors present their report and the audited financial statements for the year ended 31 March 2022.

Future developments

No significant changes are expected to the company's activities, as set out in the Strategic Report, in the foreseeable future.

Dividends

A dividend of £27,000,000 (£0.54 per ordinary share) was paid during the year (2021: £nil, £nil per ordinary share).

Financial risk management

Disclosures relating to these areas are included in the Strategic Report.

As described in note 2, the company is managing the risks arising from the interest rate benchmark reform by seeking to negotiate consistent terms, rates and transition dates, with the respective counterparties, to maintain hedge effectiveness, although formal transition has not yet completed.

Coronavirus (COVID-19) impact on the financial statements

The COVID-19 outbreak has resulted in measures being taken to contain the virus and has resulted in the temporary closure of businesses and public services.

The company's principal activity is holding investments in subsidiaries predominantly engaged in infrastructure projects under PFI contracts. The company would therefore only be impacted by the coronavirus outbreak insofar as this impacted the performance of its investments, predominantly in its subsidiaries, however revenues within the company's investments and subsidiaries are largely unchanged.

There is expected to be no significant overall impact on performance over the life of the investments. The opinion of the Directors is that the coronavirus outbreak will have no impact on the company's ability to continue as a going concern.

Semperian PPP Holdings Limited

Directors' Report for the Year Ended 31 March 2022 (continued)

LIBOR risk

SONIA (Sterling Overnight Index Average) has replaced GBP LIBOR, with effect from 1 January 2022.

GBP LIBOR is a 'term rate', which means that it is published for a borrowing period (such as 1-, 3-, and 6-months) and is 'forward looking', because it is published at the beginning of the borrowing period. SONIA is a 'backward-looking' rate, based on a compound rate from observed overnight rates.

Furthermore, GBP LIBOR includes a credit spread over the risk-free rate (RFR), which SONIA does not. To transition existing contracts and agreements that reference GBP LIBOR to SONIA, adjustments for term differences and credit differences a 'Credit Adjustment Spread' ('CAS') is applied to SONIA, to enable the two benchmark rates to be economically equivalent on transition. The CAS is agreed by the Lenders' Market Association ('LMA') and International Swaps and Derivative Association ('ISDA'). The CAS was published by Bloomberg, 5 March 2021, when the Financial Conduct Authority ('FCA') declared the cessation of GBP LIBOR, it is the 5-year historic median between GBP LIBOR and SONIA.

The FCA has confirmed it will allow the use of "Synthetic LIBOR" rates for all legacy contracts except cleared derivative, to allow a wider time window for transitions to be completed. Synthetic LIBOR has however not been guaranteed beyond 31 December 2022. In addition, The Critical Benchmarks (References and Administrators' Liability) Act 2021 has been passed to amend the defined term of GBP LIBOR to 'synthetic LIBOR', such that "LIBOR" references are by law "synthetic LIBOR".

Risks arising from the transition relate principally to the potential impact of rate differences if the debt and related hedging instruments did not transition to the new benchmark interest rate simultaneously and/or the rates move by different amounts. This could result in hedge ineffectiveness. To avoid this, the company [has negotiated/is seeking to negotiate] consistent terms, rates and transition dates, with the respective counterparties, although formal transition has not yet completed. In the meantime synthetic LIBOR is applied.

Effect of LIBOR reform - significant assumptions

In calculating the change in fair value attributable to the hedged risk of floating-rate debt, the company has made the following assumptions that reflect its current expectations:

- The floating-rate debt will move to SONIA during 2022, and the CAS will be the same as the CAS included in the interest rate swap used as the hedging instrument.
- The reform has not been used to change the commercial terms of the floating-rate instruments.

Directors of the company

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

J M Simpson

C Burlton

Semperian PPP Holdings Limited

Directors' Report for the Year Ended 31 March 2022 (continued)

Statement of Directors' Responsibilities

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, 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 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 also 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.

Directors' confirmations

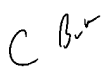
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Reappointment of auditors

The independent auditors, PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors, have signified their willingness to continue in office.

Approved by the Board on 18 August 2022 and signed on its behalf by:


.....
C Burlton
Director

Semperian PPP Holdings Limited

Independent Auditors' Report to the members of Semperian PPP Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Semperian PPP Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit 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 balance sheet as at 31 March 2022; the profit and loss account, 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.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Semperian PPP Holdings Limited

Independent Auditors' Report to the members of Semperian PPP Holdings Limited (continued)

Reporting on other information (continued)

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

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2022 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 Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, 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.

Semperian PPP Holdings Limited

Independent Auditors' Report to the members of Semperian PPP Holdings Limited (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK corporation tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and internal audit to enquire of any known instances of non-compliance with Laws and Regulations and Fraud
- Reading board minutes for evidence of breaches of regulations and reading relevant correspondence
- Challenging assumptions and judgements made by management in their significant accounting estimates
- Identifying and testing journal entries, in particular journal entries posted with unexpected account combinations
- Incorporating unpredictability into the nature, timing and/or extent of our testing

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Semperian PPP Holdings Limited

**Independent Auditors' Report to the members of Semperian PPP Holdings Limited
(continued)**

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 obtained 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.



Andrew Latham (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

24 April 2022
Date:

Semperian PPP Holdings Limited

Profit and Loss Account for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover	4	379,767	374,065
Administrative expenses		<u>(212,399)</u>	<u>(208,510)</u>
Operating profit	5	167,368	165,555
Income from shares in group undertakings		5,047,867	5,810,082
Interest receivable and similar income	6	5,950,770	6,648,590
Interest payable and similar charges	7	<u>(1,369)</u>	<u>-</u>
Profit before taxation		11,164,636	12,624,227
Tax on profit	8	<u>(1,565,021)</u>	<u>(1,294,688)</u>
Profit for the financial year		<u><u>9,599,615</u></u>	<u><u>11,329,539</u></u>

The above results were derived from continuing operations.

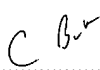
The company has no other Comprehensive Income for the year other than the profit for the financial year stated above.

The notes on pages 13 to 24 form an integral part of these financial statements.

Semperian PPP Holdings Limited**Balance Sheet as at 31 March 2022**

	Note	2022 £	2021 £
Fixed assets			
Investments	9	36,788,783	37,541,101
Current assets			
Debtors: Amounts falling due after more than one year	10	24,596,647	39,962,528
Debtors: Amounts falling due within one year	11	884,433	2,109,229
		25,481,080	42,071,757
Creditors: Amounts falling due within one year	12	(1,204,450)	(1,504,738)
Net current assets		24,276,630	40,567,019
Total assets less current liabilities		61,065,413	78,108,120
Creditors: Amounts falling due after more than one year	12	(3,759,728)	(3,804,885)
Provisions for liabilities	13	(1,678,480)	(1,275,645)
Net assets		55,627,205	73,027,590
Capital and reserves			
Called up share capital	14	50,248,762	50,248,762
Profit and loss account		5,378,443	22,778,828
Total equity		55,627,205	73,027,590

The financial statements on pages 10 to 24 were approved by the Board of Directors on18 August 2022.... and signed on its behalf by:


.....

C Burlton
Director

The notes on pages 13 to 24 form an integral part of these financial statements.

Semperian PPP Holdings Limited

Statement of Changes in Equity for the Year Ended 31 March 2022

	Called up Share capital £	Profit and loss account £	Total equity £
At 1 April 2020	<u>50,248,762</u>	<u>11,449,289</u>	<u>61,698,051</u>
Profit for the financial year	<u>-</u>	<u>11,329,539</u>	<u>11,329,539</u>
Total comprehensive income	<u>-</u>	<u>11,329,539</u>	<u>11,329,539</u>
At 31 March 2021	<u>50,248,762</u>	<u>22,778,828</u>	<u>73,027,590</u>

	Note	Called up Share capital £	Profit and loss account £	Total equity £
At 1 April 2021		<u>50,248,762</u>	<u>22,778,828</u>	<u>73,027,590</u>
Profit for the financial year		<u>-</u>	<u>9,599,615</u>	<u>9,599,615</u>
Total comprehensive income		<u>-</u>	<u>9,599,615</u>	<u>9,599,615</u>
Dividends	15	<u>-</u>	<u>(27,000,000)</u>	<u>(27,000,000)</u>
At 31 March 2022		<u>50,248,762</u>	<u>5,378,443</u>	<u>55,627,205</u>

The notes on pages 13 to 24 form an integral part of these financial statements.

Semperian PPP Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

1 General information

The principal activity of the company is to hold investments in undertakings engaged in the development and funding of investment opportunities in Private Finance Initiative markets.

The company is a private company limited by shares and is incorporated and domiciled in the United Kingdom.

The address of its registered office is:

4th Floor
1 Gresham Street
Prince Street
London
United Kingdom
EC2V 7BX

The company's functional and presentation currency is the pound sterling.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Group financial statements not prepared

The financial statements contain information about Semperian PPP Holdings Limited as an individual company and do not contain consolidated financial information. The company is exempt from the requirement to prepare consolidated financial information, under section 401 of the Companies Act 2006, as its results are included in the consolidated financial statements of Semperian PPP Investments Holdings Limited.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Semperian PPP Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

2 Accounting policies (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are only recognised when it is considered more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Financial Instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, 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 receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Semperian PPP Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

2 Accounting policies (continued)

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Called up share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Final dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. Interim dividends are recognised when paid. These amounts are recognised in the statement of changes in equity.

Impairment

Fixed asset investments are subject to impairment review if events or changes in circumstances occur which indicate that the carrying amount of the fixed asset may not be fully recoverable. An impairment review comprises a comparison of the carrying amount of the fixed asset with its recoverable amount, which is the higher of net realisable value and value in use.

Net realisable value is calculated by reference to the amount at which the asset could be disposed of. Value in use is calculated by discounting the expected future cash flows obtainable as a result of the assets continued use, including those resulting from its ultimate disposal, at a market based discount rate on a pre-tax basis. The carrying values of fixed assets are written down by the amount of any impairment and this loss is recognised in the profit and loss account in the year in which it occurs.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The exemptions which the company has taken are:

- (i) the requirement to prepare a statement of cash flows;
- (ii) certain financial instrument disclosures providing equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated;
- (iii) the requirement to disclose related party transactions, with the members of the same group, that are wholly owned;
- (iv) the requirement to provide consolidated financial statements.

Investment income

Investment income may include dividends and interest receivable. Dividends are included, as 'Income from shares in group undertakings'. Interim dividends are recognised when paid, whilst final dividends are recognised when approved by the paying company. Interest receivable is included, as 'Interest receivable and similar income', on an accruals basis. This heading may also include the amortisation of any premium or discount on the purchase of the loan which has been spread over the life of the loan to determine an effective interest rate.

Semperian PPP Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

2 Accounting policies (continued)

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

New accounting standards adopted during the period

Interest rate benchmark reform

SONIA (Sterling Overnight Index Average) has replaced GBP LIBOR, with effect from 1 January 2022.

GBP LIBOR is a 'term rate', which means that it is published for a borrowing period (such as 1-, 3-, and 6-months) and is 'forward looking', because it is published at the beginning of the borrowing period. SONIA is a 'backward-looking' rate, based on a compound rate from observed overnight rates.

Furthermore, GBP LIBOR includes a credit spread over the risk-free rate (RFR), which SONIA does not. To transition existing contracts and agreements that reference GBP LIBOR to SONIA, adjustments for term differences and credit differences a 'Credit Adjustment Spread' ('CAS') is applied to SONIA, to enable the two benchmark rates to be economically equivalent on transition. The CAS is agreed by the Lenders' Market Association ('LMA') and International Swaps and Derivative Association ('ISDA'). The CAS was published by Bloomberg, 5 March 2021, when the Financial Conduct Authority ('FCA') declared the cessation of GBP LIBOR, it is the 5-year historic median between GBP LIBOR and SONIA.

The entity has floating rate debt and related hedging instruments which are subject to LIBOR, as disclosed in note 12. The risks arising from the transition relate principally to the potential impact of rate differences if the debt and related hedging instruments did not transition to the new benchmark interest rate simultaneously and/or the rates move by different amounts. This could result in hedge ineffectiveness. To avoid this, the company is seeking to negotiate consistent terms, rates and transition dates, with the respective counterparties, although formal transition has not yet completed. In the meantime, synthetic LIBOR is applied.

Further details of the company's application of synthetic LIBOR are disclosed in note 12.

As the transition seeks to maintain hedge effectiveness, there is no change to the entity's overall risk management strategy as a result of the benchmark rate replacement.

Semperian PPP Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

3 Critical accounting judgements and estimation uncertainty

Judgements, estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources.

The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates made are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. Actual results may subsequently differ from these estimates.

Certain critical accounting judgements and estimates as applicable, adopted by management, in applying the company's accounting policies are described below:

Effect of LIBOR reform

In calculating the change in fair value attributable to the hedged risk of floating-rate debt, Semperian PPP Holdings Limited has made the following assumptions that reflect its current expectations:

- The floating-rate debt will move to SONIA during 2022, and the CAS will be the same as the CAS included in the interest rate swap used as the hedging instrument.
- The reform has not been used to change the commercial terms of the floating-rate instruments.

Estimates

Impairment of investments

Management makes an estimate of the likely recoverable value of investments by considering factors including the historical performance, and future forecasts of the respective investment. See note 9 for the carrying value of the investments.

Semperian PPP Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

4 Turnover

The analysis of the company's turnover (all of which is undertaken in the UK) for the year by class of business is as follows:

	2022 £	2021 £
Directors' fee income	212,400	208,467
Other Fees Income	45,156	45,156
Management fee income	<u>122,211</u>	<u>120,442</u>
	<u>379,767</u>	<u>374,065</u>

5 Operating profit

The company had no employees during the year (2021: none). The emoluments of the directors are paid by the controlling parties. The directors' services to this company and to a number of fellow group companies are primarily of a non-executive nature and their emoluments are deemed to be wholly attributable to the controlling parties. The controlling parties charged £nil (2021: £nil) to the company in respect of these services.

The audit fee has been borne on the company's behalf by a related party company, Semperian Business Support Limited, for which no recharge has been made during the current or previous year.

6 Other Interest receivable and similar income

	2022 £	2021 £
Interest receivable on loans to group undertakings	<u>5,950,770</u>	<u>6,648,590</u>
	<u>5,950,770</u>	<u>6,648,590</u>

7 Interest payable and similar expenses

	2022 £
Interest payable on loans from group undertakings	<u>1,369</u>
	<u>1,369</u>

Semperian PPP Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

8 Tax on profit

(a) Tax expense included in profit or loss

	2022 £	2021 £
Current taxation		
UK corporation tax	1,162,186	1,294,687
UK corporation tax adjustment to prior periods	<u>-</u>	<u>1</u>
Total current taxation	1,162,186	1,294,688
Deferred taxation		
Arising from changes in tax rates and laws	<u>402,835</u>	<u>-</u>
Tax on profit	<u><u>1,565,021</u></u>	<u><u>1,294,688</u></u>

(b) Reconciliation of tax charge

The tax on profit for the year is lower than the standard rate of corporation tax in the UK (2021: lower than the standard rate of corporation tax in the UK) of 19% (2021: 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before taxation	<u>11,164,636</u>	<u>12,624,227</u>
Corporation tax at standard rate	2,121,281	2,398,603
Income not subject to tax	(959,095)	(1,103,915)
Re-measurement of deferred tax - change in UK tax rates	<u>402,835</u>	<u>-</u>
Total tax charge	<u><u>1,565,021</u></u>	<u><u>1,294,688</u></u>

(c) Tax rate changes

On the 3 March 2021 the UK Government announced that from 1 April 2023 the corporation tax rate will increase to 25% from 19%. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Semperian PPP Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

9 Investments

	Equity	Subordinated debt	Total
Cost and net book value:	£	£	£
At 1 April 2021	2,429,906	35,111,195	37,541,101
Debt repayments	-	(752,318)	(752,318)
At 31 March 2022	2,429,906	34,358,877	36,788,783

A full list of subsidiaries and related undertakings is shown in note 18.

10 Debtors: Amounts falling due after more than one year

	2022 £	2021 £
Amounts owed by group undertakings	24,596,647	39,962,528
	<u>24,596,647</u>	<u>39,962,528</u>

Amounts owed by group undertakings are unsecured, Loan Notes at 5.5% per annum and are repayable by 31 March 2035.

11 Debtors: Amounts falling due within one year

	2022 £	2021 £
Amounts owed by group undertakings	858,404	2,084,973
Prepayments and accrued income	26,029	24,256
	<u>884,433</u>	<u>2,109,229</u>

Semperian PPP Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

12 Creditors

	Note	2022 £	2021 £
Amounts falling due within one year			
Amounts owed to group undertakings	16	2,181	813
Other payables		3	2
Group relief		<u>1,202,266</u>	<u>1,503,923</u>
		<u>1,204,450</u>	<u>1,504,738</u>
Amounts falling due after more than one year			
Accruals and deferred income		759,728	804,885
Amounts owed to group undertakings		<u>3,000,000</u>	<u>3,000,000</u>
		<u>3,759,728</u>	<u>3,804,885</u>

The shareholder loan of £3,000,000 (2021: £3,000,000) is due for repayment on 31 March 2035 and interest is charged at LIBOR less 25 basis points.

Semperian PPP Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

13 Provisions for liabilities

	Deferred tax £
At 1 April 2021	1,275,645
Charged to the profit and loss account	<u>402,835</u>
At 31 March 2022	<u><u>1,678,480</u></u>

Deferred tax

The provision for deferred tax consists of the following deferred tax liabilities/(assets):

	2022 £	2021 £
Other timing differences	<u>1,678,480</u>	<u>1,275,645</u>

14 Called up Share capital

Allotted, called up and fully paid shares

	2022 No.	£	2021 No.	£
Ordinary shares of £1 each	<u>50,248,762</u>	<u>50,248,762</u>	<u>50,248,762</u>	<u>50,248,762</u>

15 Dividends

	2022 £	2021 £
Final dividend of £0.54 (2021 - £nil) per ordinary share	<u>27,000,000</u>	<u>-</u>

Semperian PPP Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

16 Related party transactions

As a wholly owned subsidiary of Semperian PPP Investment Partners Holdings Limited, the company has taken advantage of the exemption under FRS 102 - paragraph 33.1A of the requirement to disclose transactions between it and other group companies.

Semperian PPP Holdings Limited holds mixture of investments in Subsidiaries and Associates (details in note 18). All related transactions with these entities are carried out in normal course of business. The table below represents the aggregated transactions with each entity for the year ended 31st March 2021.

	Transaction Value		Balance Outstanding	
	2022	2021	2022	2021
	£	£	£	£
Interest receivable from fixed asset investments	4,257,299	4,841,407	274,277	383,635
Dividends receivable	5,047,867	5,810,082	-	-
Directors and management fee receivable from fixed asset investment	334,611	321,100	26,029	24,256
UITF 34 fee receivable	45,156	45,156	(759,728)	(804,885)
Interest Payable	1,369	-	(2,181)	(813)

17 Parent and ultimate parent undertaking

The company's immediate parent is Semperian No.21 Limited, incorporated in England and Wales.

The ultimate parent and controlling party is Semperian PPP Investment Partners Holdings Limited, incorporated in Jersey. The smallest group and largest group to consolidate these financial statements is Semperian PPP Investment Partners Holdings Limited. These financial statements are available upon request from the Company Secretary at 4th Floor, 1 Gresham Street, London, United Kingdom, EC2V 7BX.

18 Subsidiary and related undertakings

The company holds investments in the following undertakings incorporated in the UK:

Direct investment undertakings	Activities	Percentage of ordinary shares held
Inspired Education (East Dunbartonshire) Holdings Limited	Investment Holding Company	50%
Inspired Education (South Lanarkshire) Holdings Limited	Investment Holding Company	43%
Health Management (UCLH) Holdings Limited*	Investment Holding Company	25%
UCLH Investors Limited	Investment Holding Company	20%
Road Management Services (Darrington) Holdings Limited	Investment Holding Company	25%
Wastewater Management Holdings Limited	Investment Holding Company	25%

Semperian PPP Holdings Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

18 Subsidiary and related undertakings (continued)

Indirect investment undertakings	Activities	Percentage of ordinary shares held
Inspired Education (East Dunbartonshire) Limited	School Services	50%
Inspired Education (South Lanarkshire) plc	School Services	42%
Health Management (UCLH) Holdings Limited*	Investment Holding Company	15%
Health Management (UCLH) Limited	Hospital Services	40%
Road Management Services (Darrington) Limited	Road Services	25%
Road Management Services (Finance) plc	Investment Holding Company	25%
Ayr Environmental Services Limited	Waste Treatment Services	25%

*The company indirectly holds a total interest in 40% of the issued share capital of Health Management (UCLH) Holdings Limited; 25% is held directly, and a further 15% is held indirectly via the company's investment in UCLH Investors Limited.

The registered office for Wastewater Management Holdings Limited and Ayr Environmental Services Limited is Meadowhead Road, Irvine, Ayrshire, United Kingdom, KA11 5AY. The registered office for all other entities listed is: 3rd Floor, Broad Quay House, Bristol, United Kingdom, BS1 4DJ.