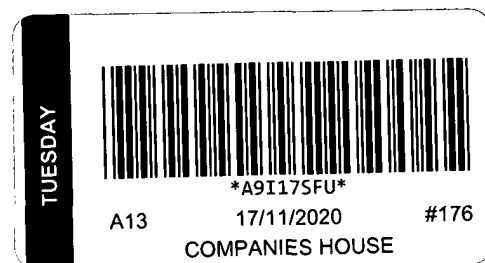


EQUITIX HOLDINGS LTD

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2019**



Registered Number: 05972500

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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DIRECTORS AND ADVISERS

Directors

G A Jackson
H B Crossley
S L Jones
J C Smith
S A Côté (Appointed 13 May 2019)
P S Roughton (Appointed 1 October 2019)
A P Bhuwania (Appointed 1 October 2019)
R E Griffith (Resigned 13 May 2019)

Company secretary and registered office

P S Roughton
3rd Floor, South Building
200 Aldersgate Street
London
EC1A 4HD

Auditor

KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

Principal banker

Royal Bank of Scotland Plc
2 1/2 Devonshire Square
London
EC2M 4XJ

Principal legal adviser

Hogan Lovells LLP
Atlantic House
Holborn Viaduct
London
EC1A 2FG

DIRECTORS' REPORT

The Directors present their annual report on the affairs of Equitix Holdings Ltd (the "Company") and its subsidiaries (collectively, the "Group"), together with the strategic report, financial statements and auditor's report, for the year ended 31 December 2019.

RESULTS AND DIVIDENDS

The retained profit after tax for the year was £54,209,496 (2018 - £62,074,178).

Dividends totalling £27,284,590 (2018 - £8,101,225) were declared and paid during the year.

DIRECTORS

The Directors who served throughout the year and up to the date of this report, are shown on page 1.

The Group has maintained throughout the year Directors' and officers' liability insurance for the the Directors and its officers. The Company has entered into qualifying third party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force.

CAPITAL STRUCTURE

Details of the issued share capital are shown in Note 22. The Company has three classes of ordinary share, none of which carry any right to fixed income. Only "A" and "C" class shares carry voting rights at one vote per share at general meetings of the Company.

GOING CONCERN

The Group's financial position, cash flows, liquidity position and borrowing facilities together with the factors likely to affect its future performance are set out in the balance sheet, cash flow statement, notes to the financial statements, the Directors' Report and the Strategic Report on pages 3 through 5.

The Group's forecasts and projections, taking into account reasonably possible changes in trading performance and any current economic uncertainties, show that the Group should be able to operate within the level of retained earnings, reserves and the support of the Group's parent undertakings for at least, but not limited to, a period of 12 months from this reporting date. The Directors believe that these resources afford the Group the ability to capitalise on business opportunities as they arise. Accordingly, the financial statements have been prepared on the going concern basis. 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 1(c) Accounting Policies and Note 26 Post Balance Sheet Events.

ACCOUNTING POLICIES

All group accounting policies, except for those which have been adopted for the first time in these financial statements as a result of newly effective standards, adopted in the current and prior year have been applied consistently throughout as explained in Note 1.

BUSINESS RELATIONSHIPS

In performing their duties under s172 of the Companies Act 2006, the Directors consider the potential impact on stakeholders for all material decisions made by the Board. Board discussions during the decision making process aim to identify potential benefits and concerns for each stakeholder group along with procedures to mitigate against any areas of concern. Refer to the Strategic Report on pages 3 to 5 for further detail.

POST BALANCE SHEET EVENTS

Excluding the impact of the COVID-19 global pandemic as detailed in Note 26, there have been no balance sheet events that require disclosure.

AUDITOR

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

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

KPMG LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.



On behalf of the Board

J C Smith

DATE: 29 May 2020

STRATEGIC REPORT

THE BUSINESS MODEL

The principal activity of the Group is to develop and manage on behalf of fund investors, long-term infrastructure concessions in the UK and other geographies that have similar infrastructure governance regimes. Concessions developed and managed by the Group include but are not limited to education, healthcare, street lighting, roads and highways maintenance, leisure, social housing, sheltered accommodation, government accommodation, energy transmission, renewable energy generation, regulated utilities, biomass energy, waste water treatment and higher education accommodation.

The Group is active in the UK, the Republic of Ireland and Central Europe where the Group develops and manages concessions in partnership with high-quality domestic operators. The Group constantly monitors infrastructure markets globally to evaluate attractiveness and a fit for the Company's business model and identifies and manages the acquisition of project opportunities via the secondary market on behalf of the investment vehicles managed by the Group.

The Group provides operational support to investments held by the Equitix core funds and managed accounts, collectively (the "Funds"), via various management services agreements. Certain subsidiaries of the Company have been appointed as the general partners of individual funds and are liable in the first instance for the debts of these funds without limitation in all aspects of their activities. Subsidiaries and associated undertakings principally affecting the profits or net assets of the Group in the year are listed in Note 7 of the notes to the Company financial statements.

The principal activity of the Company is to act as the parent of the subsidiaries and joint ventures as listed in Note 7 of the notes to the Company financial statements.

STRATEGY AND OBJECTIVES

A primary objective of the Group is to successfully develop primary infrastructure projects and minimise the number of lost bids. This objective is quantified and measured by reference to the returns generated over the cost of all primary development.

The main strategy employed to achieve this objective is to select projects to pursue that best fit the skill set of the Group and its partners, and to form bidding consortia with reputable, successful partners that have a complementary skill set to the Group that best meets the objectives of the project being bid as set out by the procuring authority.

A further primary objective of the Group is to manage and administer the Funds, optimising the returns generated by investments in the Funds and managing a balanced and well diversified portfolio on behalf of investors in the Funds.

REVIEW OF THE BUSINESS AND KEY PERFORMANCE INDICATORS

The key elements to the Group key strategies are listed below:

- identify high-quality investments on behalf of those Funds that are actively seeking opportunities;
- maintain sustainable returns for the Funds from investments already in existence;
- compliance with governing project documents;
- compliance with governing Fund documents; and
- delivery of strict rate of return criteria.

The Group considers its key financial performance indicators to include assets under management and revenue.

The Group assets under management at the end of the year was £5.17bn, an increase of 45% from the end of 2018. The Group launched a number of new investment vehicles in the year and held the final close on its fifth core infrastructure fund, Equitix Fund V, at £998 million exceeding the Fund's target of £750 million. Seven managed accounts were also launched in 2019 bringing the number of active accounts as at 31 December 2019 to 15. With this growth, both the number of investors and investments made by the Group increased to 91 (2018: 78) and 295 (2018: 249) respectively.

Revenue has continued to grow with reported revenue in 2019 of £91,389,983 (2018: £65,427,176). This increase in revenue is primarily driven by the growth in assets under management.

The Group was appointed preferred bidder on two large projects and reached financial close on six projects; all projects have performed within their budgeted costs. The Group has had no reason to materially impair income for construction investment services and expects to receive income in full when projects reach construction completion.

The Group generated development returns in excess of the development costs and managed to successfully develop the projects during the current year as listed below:

- Preferred bidder for the Gentse Biomass Project
- Preferred bidder for the Irish Social Housing Bundle #2 Project
- Financial close for the Wales & Border Rail Project
- Financial close for the University of Leicester Project
- Financial close for the Irish Social Housing Bundle #2 Project
- Financial close for the University of York Project
- Financial close for the Malvern Clinical Waste Project
- Financial close for the Green Highland Hydro Project

Portfolio valuations for the Funds show a well balanced, sustainable investment class all performing within budgeted expectations.

Owing to the growth in the portfolio, Equitix has opened up several offices in mainland Europe, specifically in Frankfurt, Milan and Dublin and a new office is due to open in Spain in 2020. The business continues to maintain site specific offices around the UK and Northern Ireland as well as Seoul in South Korea. Equitix is committed to delivering a high quality investment management service and recognises that face-to-face relationships are key to this commitment, therefore the Group will continue to open new offices where strategically important.

STRATEGIC REPORT (CONTINUED)**BUSINESS RISK AND UNCERTAINTY**

There are a number of potential risks and uncertainties, which could result in a material impact on the Group's long-term performance and cause results to differ materially from expected and historical results.

The Group's risk management policies and procedures are discussed below:

Issue	Risk	Mitigation
Investment	The Group may recommend either a primary or a secondary market opportunity that does not perform to plan and does not produce the rate of return inherent in the acquisition price.	The Group employs the use of external experts combined with internal challenge, to perform rigorous due diligence checks on all opportunities before agreeing to recommend as investments.
Compliance	The Group may fail to meet obligations handed down by the Financial Conduct Authority (UK) and as a result lose its licence to operate as an investment manager.	The Directors are all regulated individuals and regularly update personal training plans to ensure awareness of all compliance requirements. The Group employs a dedicated compliance manager who is appropriately qualified to review and maintain all compliance matters with the help of external advisors where necessary.
Financial	The Group may fall into financial and liquidity difficulty.	Investors in the Funds are all screened to ensure their creditworthiness and capacity for investment to ensure that Funds will be funded to make investments. The Group has a revolving credit facility available with Pace Bidco Limited, the Group's immediate parent undertaking, as disclosed in Note 19; this facility can be used to fund operational expenses of the business and allow the business to capitalise on profitable opportunities as they arise. The Group has high visibility of development income and repetitive fund management fee income and can therefore manage its finances well.
Unsuccessful bidding	Expensive bid costs erode the profitability of the Group.	Partnering in the right consortia and maintaining an active role in dialogue with the procuring authority. Senior management maintain close relationships with key management of the procuring authority to minimise the risk that procurements are cancelled.
Lack of bidding pipeline	No visible pipeline of infrastructure projects in the current market means revenues will cease to be generated.	The Company has entered new markets including the large scale energy generation, offshore wind energy generation, rail infrastructure and regulated utilities whilst further building on its successes in more established markets such as student accommodation. The Group has successfully implemented these expansion strategies with very little cost or risk and will continue to do so in the future.
Failure of construction services	A portion of income for the Group is received upon the successful delivery of construction services, failure would result in an impairment to this income.	The Company only engages with reputable and deliverable construction partners and takes out appropriate construction security packages that react in all possible situations including sub-contractor insolvency. Further attention has been taken when assessing potential project partners by both the Company and the procuring authority so that an appropriately robust partner is selected for each project.
Bidding cost overrun	Cost of developing primary projects increases, eroding margins.	The Group engages on a fixed fee basis with the majority of fees payable on a contingent basis to manage cost risk and incentivise all project stakeholders.

FINANCIAL RISK AND BORROWINGS

In the current and prior year, the Group had access to, via Pace Bidco Limited, a revolving credit facility with a consortium of banks. The Group has an intercompany loan agreement with Pace Bidco Limited to enable it to borrow the proceeds of drawings made on Pace Bidco Limited's facility. The Group has made no such drawings during the year and does not foresee the need for a drawdown in the short to medium term.

The Group has high visibility of development related cash flows and a high proportion of its income is derived from repetitive Fund management fees therefore the Group can anticipate and manage its financial needs well.

FUTURE DEVELOPMENTS

The Directors do not expect the current strategy and objectives of the Group to change materially in the future. The Group will work towards financially closing the projects that it currently has at preferred bidder stage and plans to continue to bid in the current sectors that are already active markets for the Group as well as consider the expansion into further infrastructure markets and geographic territories.

The Directors have considered the outcome of the UK's exit from the European Union on 31 January 2020, the transitional period which remains in place to 31 December 2020 and a number of potential outcomes arising thereafter. The Directors 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 there is no requirement for a specific provision in the accounts.

STRATEGIC REPORT (CONTINUED)**Statement by the Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006**

The Directors of the Group, as those of all UK companies, must act in accordance with a set of general duties which are detailed in section 172 (1) (a) to (f) of the Companies Act 2006.

The following paragraphs summarise how the Directors' fulfil their duties:

Risk Management

The Group is a developer and fund manager of core infrastructure and energy-efficient assets in the UK and Europe and as such operates in environments with high levels of governance and at times regulation. As we grow, our business and our risk environment also become more complex. It is therefore critical that we continually identify, monitor, evaluate and mitigate the risks we face. Our principal risks and uncertainties are detailed previously in this Strategic Report.

Our People

Equitix is committed to being a responsible employer and the people employed are key to the continued success of the Group. The Group strives to ensure all employees are fully engaged with and informed of the Group priorities and objectives through regular updates from senior management. Employees come from a range of multi-discipline backgrounds and throughout their employment are able to augment their knowledge through further training and development.

Business Relationships

The Group places immense importance on creating and maintaining strong client relationships and this success of this focus can be seen in the growth in size, geographical reach and assets under management. The Group has established a strong reputation as a leading developer, trusted partner and operator in the infrastructure industry. The Group has dedicated team functions that develop and maintain relationships with key investors and maintain continuous dialogue with them. As a fund manager, the Group has established strong relationships with a number of investor groups which has resulted in individual investors committing to invest in multiple Equitix investment vehicles.

Community and Environment

The Group believes that environmental, social and governance (ESG) criteria materially affect the value of portfolio companies. Robust governance, combined with the active management of environmental and social responsibilities enables the reduction of risk and the creation of lasting value. For this reason, ESG objectives and initiatives form an essential part of the Equitix investment process and they are consolidated into its investment papers. Our aim is to provide value for money and generate growth in local economies by maximising local investment, creating improved community services and better reporting for our investors.

Shareholders

Equitix is majority owned by one shareholder, a diversified alternative asset management business, with the remaining equity owned by the Equitix management team. There is continual engagement with the parent shareholder with dialogue on the strategy and objectives of the Group.



On behalf of the Board

J C Smith

DATE: 29 May 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare the group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law and have elected to prepare the parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant and prudent;
- for the group financial statements, state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- for the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent 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 group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent 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 group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX HOLDINGS LTD

Opinion

We have audited the consolidated financial statements of Equitix Holdings Ltd ("the group") for the year ended 31 December 2019 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement, Company Balance Sheet, Company Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 group 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 group or the company or to cease their operations, and as they have concluded that the group and 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 their 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 group's business model and analysed how those risks might affect the group and 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 group or the company will continue in operation.

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
- 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX HOLDINGS LTD

Directors' responsibilities

As explained more fully in their statement set out on page 6, 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 group and parent 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 group or the parent 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 responsibilities is provided on FRC's website at www.frc.org.uk/auditorsresponsibilities.

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.



Henry Todd (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square, London, E14 5GL

DATE: 29 May 2020

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Revenue	4	91,389,983	65,427,176
Cost of Sales		(7,477,237)	-
Gross profit		83,912,746	65,427,176
Administrative expenses		(37,766,147)	(31,692,615)
Operating profit	5	46,146,599	33,734,561
Investment revenue	9	128	32,518
Finance costs	10	(202,738)	(161,594)
Income from participating interests	12	2,599,614	2,598,710
Change in fair value of investments	12	12,306,400	28,125,920
Profit before taxation		60,850,003	64,330,115
Tax on profit	11	(6,640,507)	(2,255,937)
Profit for the financial year		54,209,496	62,074,178
Profit is attributable to:			
Owners of the parent company		54,075,180	62,074,178
Non-controlling interests	21	134,316	-
		54,209,496	62,074,178

All items in the consolidated income statement relate to continuing operations.

There are no items of comprehensive income in the current or prior year other than those shown above, and therefore no separate statement of other comprehensive income has been presented.

The accompanying notes on pages 13 to 34 form an integral part of these Group financial statements.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
Non-current assets			
Investments in joint ventures	12	116,500	116,500
Investments	12	120,414,327	101,876,025
Property, plant and equipment	13, 16	10,226,393	394,690
Intangible assets	14	3,295,714	2,604,637
Trade and other receivables	15	21,048,286	12,749,047
		<u>155,101,220</u>	<u>117,740,899</u>
Current assets			
Trade and other receivables	15	49,291,510	57,284,889
Cash and cash equivalents	17	12,712,319	6,381,074
		<u>62,003,829</u>	<u>63,665,963</u>
Total assets		<u>217,105,049</u>	<u>181,406,862</u>
Current liabilities			
Trade and other payables	18	(12,643,848)	(9,751,491)
Deferred income	18	(217,000)	(145,364)
Current tax	18	(5,990,707)	(8,909,669)
VAT Creditors	18	-	(601,111)
		<u>(18,851,555)</u>	<u>(19,407,635)</u>
Net current assets		<u>43,152,274</u>	<u>44,258,328</u>
Total assets less current liabilities		<u>198,253,494</u>	<u>161,999,227</u>
Non-current liabilities			
Trade and other payables	18	(487,845)	(857,613)
Lease liabilities	16	(9,679,908)	-
		<u>(10,167,753)</u>	<u>(857,613)</u>
Net assets		<u>188,085,741</u>	<u>161,141,614</u>
Capital and reserves			
Called up share capital	22	1,113	1,113
Share premium account		9,561,916	9,561,916
Other reserves		19,221	-
Profit and loss account		178,208,061	151,578,585
Equity attributable to owners of the parent		<u>187,790,311</u>	<u>161,141,614</u>
Non-controlling interest	21	295,430	-
Shareholders' Equity		<u>188,085,741</u>	<u>161,141,614</u>

The accompanying notes on pages 13 to 34 form an integral part of these Group financial statements.

The financial statements were approved by the Board of Directors of the Group (registered number 05972500) and were signed on its behalf by:



J C Smith
Director

DATE: 29 May 2020

EQUITIX HOLDINGS LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Called up share capital and share premium account £	Retained earnings £	Other Reserves £	Equity attributable to the owners of the parent £	Non-controlling Interests £	Total £
Balance as at 1 January 2018	9,563,029	97,605,632	-	107,168,661	-	107,168,661
Profit for the year	-	62,074,178	-	62,074,178	-	62,074,178
Payment of dividend	-	(8,101,225)	-	(8,101,225)	-	(8,101,225)
Balance as at 31 December 2018	9,563,029	151,578,585	-	161,141,614	-	161,141,614
Minority Interest acquisition	-	(381,114)	-	(381,114)	381,114	-
Profit for the year	-	54,075,180	-	54,075,180	134,316	54,209,496
Currency translation	-	-	19,221	19,221	-	19,221
Payment of dividend	-	(27,064,590)	-	(27,064,590)	(220,000)	(27,284,590)
Balance as at 31 December 2019	9,563,029	178,208,061	19,221	187,790,311	295,430	188,085,741

The accompanying notes on pages 13 to 34 form an integral part of these Group financial statements.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Net cash generated in operating activities	23	14,931,463	14,834,411
Investing activities			
Interest received	9	128	24,896
Interest paid		(246,023)	(62,803)
Purchase of property, plant and equipment	13	(340,573)	(292,293)
Additions to intangible assets	14	(2,806,633)	(1,446,980)
Acquisition of investments	12	(5,207,117)	(10,957,221)
Net cash used in investing activities		(8,600,218)	(12,734,401)
Financing activities			
Repayment of revolving credit facility		-	-
Net cash used in financing activities		-	-
Net increase in cash and cash equivalents		6,331,245	2,100,010
Cash and cash equivalents at beginning of year		6,381,074	4,281,064
Cash and cash equivalents at end of year		12,712,319	6,381,074

The accompanying notes on pages 13 to 34 form an integral part of these Group financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2019

1 ACCOUNTING POLICIES**a) General information**

Equitix Holdings Ltd (the "Company") is a private company incorporated, domiciled and registered in the United Kingdom. The registered number is 05972500. The address of the registered office is given on page 1. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 3 to 5.

b) Basis of accounting

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and equity account the Group's interest in associates and joint ventures. The parent company financial statements present information about the Company as a separate entity and not about its group.

The Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation. The Company has elected to prepare its parent company financial statements in accordance with FRS 102; these are presented on pages 35 to 44.

The financial statements have been prepared on the historical cost basis with the exception of certain investments which are held at fair value. The principal accounting policies adopted are set out below and have been applied consistently throughout the current and prior year, except in relation to the initial application of IFRS 16 in these Group financial statements. The related changes to significant accounting policies are described in Note 3.

c) Going concern

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.

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 Group is in respect of the impact on the valuation of investments held at fair value through profit and loss by the various Equitix investment vehicles and their continuing access to shareholder and debt facilities. The Directors have considered the impact of potentially lower valuations along with wider operational risks on the Company's business model. Forecasts prepared by the Equitix Group, of which the Company is included, are reliant upon the ultimate parent continuing to not seek repayment of the shareholder loans and to provide full financial support. The ultimate parent has indicated its intention to continue to make available such funds as are needed and does not intend to seek repayment of the amount due at the balance sheet date for the forecast period. The Directors believe the Company, and the wider Equitix Group, has sufficient reserves and business controls to address any financial impact and to meet its liabilities as they fall due. The Directors therefore consider there is no significant impact on the going concern basis of preparation of these financial statements.

d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company, its subsidiaries, made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Investment in joint ventures are accounted for under the equity method in line with IFRS 11. Investments of this nature are initially recorded at cost and are subsequently adjusted to reflect the Group's share of the net profit or loss of the joint venture.

For the year ended 31 December 2019 the following subsidiaries of the Company were entitled to exemption from audit under section 1.1.3, of The Licensees (Conduct of Business) Rules, 2016 by the Guernsey Financial Services Commission: Equitix GP 6 Ltd and Equitix GP 6 (Greenfield) Ltd.

For the year ended 31 December 2019 the following subsidiaries of the Company were entitled to exemption from audit under s479A of the Companies Act 2006 relating to subsidiary companies: Equitix MA GP 10 Ltd, Equitix MA GP 12 Ltd, Equitix MA GP 14 Ltd, Equitix MA GP 15 Ltd, Equitix MA GP 16 Ltd and Equitix MA GP 17 Ltd.

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related tax. Revenue associated to the provision of services is accrued on a time basis over a period to which the delivery of the service is set. All revenue is derived entirely in the United Kingdom and is presented net of VAT.

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.

Dividend income is recognised when the right to receive payment is established.

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

Income from Enhanced Profit Share is recognised when the EPS Partner establishes a right to receive payment as explained in Note 2.

Revenue relating to construction management services is recognised in instalments sized on the value of completed construction milestones when each milestone is formally signed off at project level by the relevant project authority. This recognition policy was implemented in the prior year financial statements following the adoption of IFRS 15 (Revenue from Contracts with Customers) and prior year revenue presented on the Consolidated Income Statement included transitional adjustments, the details of which are disclosed in Note 4.

Income arising on successfully achieving financial close on primary projects is recognised in full when the Group becomes entitled to recover income; this income is presented net of discounts, VAT and other sales taxes.

Notes to the consolidated financial statements for the year ended 31 December 2019

1 ACCOUNTING POLICIES (continued)**e) Borrowing costs**

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Interest on the senior revolving credit facility is calculated by reference to the outstanding loan amount at the prevailing interest rate for the period over which the loan is held. Debt arrangement fees associated with the facility are amortised over the initial loan term, being 24 months from the date the loan originated.

f) Operating profit

Operating profit is stated after the share of results of participating interests but before investment income and finance costs.

g) Employee Benefits

Staff employed by the Group who are entitled to retirement benefits, can choose to be members of a defined contribution stakeholder scheme sponsored by Equitix Limited in conjunction with recognised pension administrators.

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

h) Taxation

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

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

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 bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group 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 deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets, other than land, over their estimated useful lives using the straight-line method, on the following basis:

Fixtures and fittings	5 years
Computer and telecommunications equipment	3 years
Other office equipment	3 years
Leasehold / Right-of-use assets	Period of lease

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Refer to Note 2 (s) for further detail on the implementation of IFRS 16 and the policy relating to right-of-use assets.

j) PFI bid costs

PFI bid costs are charged to the profit and loss account until such time as the Group is virtually certain that it will enter into contracts for the relevant PFI project.

Virtual certainty is generally achieved at the time the Group is selected as preferred bidder. From the point of virtual certainty, bid costs are capitalised and held in the balance sheet as a debtor prior to achieving financial close. On financial close of PFI projects and financing agreements, the Group recovers capitalised bid costs from the relevant project Group. The recovery of bid costs from project companies is recognised in the period of financial close.

k) Investments

Investments shown on the balance sheet represent long-term loans to Equitix Fund I LP, Equitix Fund II LP, Equitix Fund III LP, Equitix Fund IV LP, Equitix Fund V LP, Equitix MA Fund I LP, Energy Saving Investments LP and Equitix Energy Efficiency Fund LP as disclosed in Note 12. Investments in these Funds are presented at fair value, representing the aggregate of amortised loans in each Fund plus the Group's share of participating interest in each Fund.

Notes to the consolidated financial statements for the year ended 31 December 2019

1 ACCOUNTING POLICIES (continued)**k) Investments (continued)**

Investments also comprises the fair value of the Group's investment in the EPS expected to be received from Equitix Fund I LP, Equitix Fund II LP, Equitix Fund III LP, Equitix Fund IV LP, Equitix MA Fund I LP, Equitix MA Fund 10 LP and Equitix MA Fund 11 LP.

l) Intangible assets

Intangible assets recognised represent the right to future income from Equitix Fund IV LP, Equitix Fund V LP and Equitix European Infrastructure I LP secured through the management service agreement held by Equitix Investment Management Limited as a consequence of expenditure on placement fees. The assets associated with the respective fund are being amortised over the investment period of five years which for Fund IV is to July 2020, Fund V to June 2023 and European I LP October 2023. Similar assets, shown in the prior year, relating to Fund I, Fund II, Fund III and Equitix Energy Efficiency Fund LP have been fully amortised as at the balance sheet date.

Further intangible assets recognised represent the right to future income from Equitix Fund IV LP and Equitix MA Fund I LP derived from the development and transfer of primary PFI and PPP projects. These assets are being amortised over each respective project construction period on a straight-line basis; this amortisation period can range from 1 to 6 years. Similar assets, shown in the prior year, relating to Fund I, Fund II and Fund III have been fully amortised as at the balance sheet date.

m) Impairment of financial assets

The Company adopted IFRS 9 (Financial Instruments) in the prior period. IFRS 9 requires the Company and Group to assess the risk of recoverability of its financial instruments, comprising its trade debtors and receivables, and provide against an expected credit loss arising on risk assessed element considered to likely be irrecoverable in the future.

The Directors have studied the creditworthiness of all trade receivable counter-parties, all of which are under at least some form of control of the Group, and studied the historic losses attributed to irrecoverable trade debtors and receivables. The Directors have concluded that only 0.17% (2018: 0.17%) of the historic trade debtors and receivables have not been recovered and have been impaired. When this historic impairment level is applied to the current trade debtors and receivables balance and forecast cash flows arising from debtors expected to be received after more than one year, the result is immaterial to the Group and accordingly the Directors have chosen not to record an impairment.

The Directors continually review the creditworthiness of all counter-parties and contract only with the highest quality partners to ensure that expected credit losses are minimised. Should the performance of receivables settlement change in the future the Directors will reassess the position they have taken and record a provision as necessary. When a trade receivable is considered uncollectable, it is written off through the income statement.

n) Cash and cash equivalents

Cash and cash equivalents comprise demand deposits and other highly liquid investments with an original maturity period of no more than three months that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

o) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities are classified as either fair value through profit and loss ("FVTPL") or as other financial liabilities, which are recognised at fair value and thereafter held at amortised cost. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

p) Foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Any gains or losses arising are recognised in profit or loss within administrative expenses.

q) Financial risk management

The Group has a loan agreement with Pace Bidco Limited, the Group's immediate parent undertaking, to borrow as necessary to fund the activities of the Group; details of this loan are provided in Note 19. The Group has not utilised this facility to date and does not anticipate a need for the facility for the foreseeable future.

Details of the Group's financial risk management are contained in Note 24.

Assessable risks*Credit risk*

The Group is not exposed to significant credit risk as the Group derives revenue from PFI concessions with government departments, local authorities and other public sector clients, and from the Equitix funds and managed accounts, being unregulated collective investment schemes managed by Equitix Investment Management Limited, a group undertaking. Details of the Group's recognition policy regarding these revenues is contained in Note 1d. The Equitix funds and managed accounts do not represent a significant credit risk to the Group as partners in these vehicles are bound to a certain level of commitment under the terms of a Limited Partnership Agreement. Rigorous checks are made prior to the acceptance of new Fund investors to verify financial resources and origins of investment capital.

Liquidity risk

The Group adopts a prudent approach to liquidity management and maintains sufficient cash reserves to meet its obligations. The very nature of the Group's activities mean that all counterparties are selected depending upon financial and resource capacity criteria; and that all revenue is derived from investments managed by the Group is sustainable, with all material risk managed and mitigated.

Foreign exchange risk

The Group has limited exposure to foreign exchange risk, excluding activity arising in foreign subsidiaries, as the majority of transactions occur in the Group's functional currency.

Interest rate risk

The Group has a loan agreement with Pace Bidco Limited, to borrow money as needed to fund future activities, this facility will accrue interest on a floating rate. This facility has not been used to date and the directors do not anticipate a need for the facility for the foreseeable future.

Notes to the consolidated financial statements for the year ended 31 December 2019

1 ACCOUNTING POLICIES (continued)**r) Leases**

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4 *Determining whether an arrangement contains a lease*.

Policy applicable from 1 January 2019

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, on or after 1 January 2019.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following: fixed payments, including in-substance fixed payments; and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable prior to 1 January 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

s) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 1, 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.

Notes to the consolidated financial statements for the year ended 31 December 2019

1 ACCOUNTING POLICIES (continued)**s) Critical accounting judgements and key sources of estimation uncertainty (continued)**

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.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Construction Management Services Receivables

As disclosed in note 1d, the Group recognises income relating to the provision of construction management services to Equitix Fund I LP, Equitix Fund II LP, Equitix Fund III LP, Equitix Fund IV LP, Equitix Fund V LP and Equitix MA Fund I LP over the construction period of each project to which the income relates. The Group has not impaired the value of this income and has confidence from historic construction successes that all income accrued as disclosed in Note 15 is recoverable and that the Group will not be penalised for failure to deliver construction management services. The Group employs a number of professionals and construction specialists that are adequately qualified to deliver projects through their construction phase and all projects under construction are discussed and reviewed at each meeting of the Board of Directors of the Group.

Capitalised bidding costs

As disclosed in Note 14, the Group capitalises bid costs incurred on primary projects after the Group has been appointed the "preferred bidder" for the project. This assumption is based on the understanding that the project will reach financial close, whereupon the Group will expense capitalised costs through the income statement. The Directors believe that all projects currently at preferred bidder status will achieve financial close in a timely manner.

2 SIGNIFICANT AGREEMENTS

The following summarises key agreements which are applicable to certain Group entities; individual entity financial statements contain further detail on the substance of the agreements.

General Partner Share

A number of entities within the Equitix Group are a general partner to an individual Equitix fund. As a general partner, these entities are entitled to receive General Partner Share ("GPS") which is calculated in line with the prescribed methodology documented in each fund's individual Limited Partnership Agreements. Typically GPS is calculated at a fixed percentage, ranging from 0.5% to 2.5%, of limited partners' commitments to the fund, the percentage dependent on the stage of the fund (i.e. during or after the investment period). GPS is calculated daily and receivable from the funds semi-annually during the waterfall payment period. GPS is shown gross however may be subject to subsequent charges as per side letter agreements with investors.

Enhanced Profit Share

A number of entities within the Equitix Group are the EPS general partner to an individual Equitix fund. As an EPS general partner, these entities are entitled to receive Enhanced Profit Share ("EPS") if a fund maintains a return above a prescribed calculation methodology as documented in the Limited Partnership Agreement. The EPS Partner will be entitled to a share, typically 20%, of returns exceeding the prescribed hurdle rate of return for the period in question; this hurdle rate varies by fund however ranges between 6.0 to 7.5%. The Group accounts for EPS income only once it is entitled to receive such payments from the funds with no risk of clawback.

Management Services Agreement

Individual General Partner entities within the Group have entered into an agreement with Equitix Investment Management Limited ("the Partnership Manager") for management and administration services. Charges are determined by the level, quality and quantity of services provided and are accounted for on an accruals basis.

Waterfall Distribution Rights

Each Equitix fund has an individual waterfall distribution rights schedule which details the payments and rights of the various parties in the structure. For detailed explanation of the waterfall distribution rights, please see the separate financial statements of the fund's general partner.

3 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

A number of new standards are effective 1 January 2019 but they do not have a material effect on the Group's financial statements, except for IFRS 16 Leases. The notable policy change is listed below:

- IFRS 16 Leases (1 January 2019)
- IFRS 17 Insurance contract (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)

The group has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The impact of the adoption of the leasing standard and the new accounting policies are disclosed in Note 16.

The other standards did not have any impact on the group's accounting policies and did not require retrospective adjustments.

The following standards, amendments and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- Definition of a Business (Amendments to IFRS 3)
- Amendments to references to the Conceptual Framework in IFRS Standards and Revised Conceptual Framework
- Definition of Material (Amendments to IFRS 9, IAS 39 and IFRS 7)
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

Notes to the consolidated financial statements for the year ended 31 December 2019

4 REVENUE

An analysis of the Group's revenue is as follows:

	2019	2018
	£	£
Continuing operations		
Recharge of primary bidding costs to consortium partners	361,770	-
Income derived from Fund general partner's share	41,439,040	30,171,553
Income derived from Fund enhanced profit share	11,577,707	8,780,299
Income derived from Fund companies for success fees	8,823,743	7,399,501
Income derived from Funds for construction management fees	16,867,684	12,803,488
Income derived from management services	12,320,039	8,305,017
	<u>91,389,983</u>	<u>67,459,858</u>
Investment revenue (Note 9)	128	32,518
	<u>91,390,111</u>	<u>67,492,376</u>

Revenue was primarily derived from its principal activities undertaken within the UK however revenue amounting to £1,877,347 (2018: £482,169) was generated outside of the UK.

Revenue from contracts with customers

Income derived from construction management fees represents services provided to the Funds to manage construction activity in projects, and is payable when all construction has been completed; if a project does not achieve construction completion, or suffers from events relating to poor construction management, the revenue is impaired accordingly so that the Fund is not disadvantaged by these events, accordingly there is a risk of recovery of this income. The Directors have applied a critical judgement and have recognised construction management revenues proportionally to the amount of total construction which has been completed, which is determined in accordance with a project's Design and Build Agreement, which is itself independently certified by a 3rd party specialist.

The following table provides information about receivables in relation to these contracts:

	2019	2018
	£	£
Receivables from contracts with customers	50,332,790	34,343,906

The increase in the year is due to new contracts and amounts recognised as construction projects met the recognition criteria.

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied at the reporting date.

	Less than 1 year	1-2 Years	2+ Years
	£	£	£
At 31 December 2019	<u>12,043,061</u>	<u>16,267,011</u>	<u>3,401,730</u>
At 31 December 2018	<u>15,187,893</u>	<u>10,350,685</u>	<u>9,875,745</u>

5 OPERATING PROFIT FOR THE YEAR

	2019	2018
	£	£
Operating profit for the year has been arrived at after charging:		
Depreciation of property, plant and equipment (see Note 13)	323,679	107,897
Amortisation of intangible assets (see Note 14)	2,115,556	1,296,188
Staff costs (see Note 7)	21,875,253	16,527,570
	<u>24,314,488</u>	<u>17,931,655</u>

Notes to the consolidated financial statements for the year ended 31 December 2019

6 AUDITOR'S REMUNERATION

The analysis of auditor's remuneration is as follows:

	2019	2018
	£	£
• Fees payable to the Company's auditor for the audit of the Company's accounts	60,000	25,000
• The audit of other group companies pursuant to legislation	353,900	243,210
• Other audit services pursuant to legislation	10,700	10,000
• Tax services	19,000	38,000
	<u>443,600</u>	<u>316,210</u>

Tax services shown in the table above relate to the provision of statutory tax compliance services for the year. Fees payable to the Company's auditor for other services pursuant to legislation represents amounts charged for statutory reporting to regulators.

7 STAFF COSTS

The average number of persons employed by the Group during the year, including the Directors were as follows:

	2019	2018
	No.	No.
	<u>177</u>	<u>141</u>

The aggregate payroll costs of these persons were as follows:

	2019	2018
	£	£
Salaries	18,905,802	14,288,554
Social security costs	2,401,716	1,777,135
Other pension costs (see below)	567,735	461,881
	<u>21,875,253</u>	<u>16,527,570</u>

Staff employed by the Company who are entitled to retirement benefits, can choose to be members of a defined contribution stakeholder scheme sponsored by Equitix Limited or Equitix Management Services Limited in conjunction with Legal and General Assurance Society Limited. All staff costs shown are for continuing operations.

8 DIRECTORS' REMUNERATION

The Directors of the Group are remunerated for their services to the Group as a whole. The remuneration of the Group Directors was as follows:

	2019	2018
	£	£
<u>All Directors</u>		
Directors' emoluments	3,198,533	1,609,472
Directors' pension contribution	92,603	86,562
	<u>3,291,136</u>	<u>1,696,034</u>
<u>Highest Paid Director</u>		
Director's emoluments	577,973	330,510
Director's pension contribution	14,985	57,576
	<u>592,958</u>	<u>388,086</u>

The highest paid Director is a member of a defined contribution pension scheme.

Seven (2018: three) Directors are members of a non-cooperated defined contribution scheme contributed to by the Group.

9 INVESTMENT REVENUE

	2019	2018
	£	£
Investment revenue earned on financial assets analysed by category of asset, is as follows:		
Interest on bank deposits	128	24,896
Interest from related parties (see Note 25)	-	7,622
	<u>128</u>	<u>32,518</u>

Included within interest from related parties in the prior year is interest income earned on loans with Cambridgeshire Learning and Community Partnerships Limited, Hub South West Scotland Limited and Equitx Storage and Handling 3 Limited, all related parties by virtue of common directors, as disclosed in Note 25.

Notes to the consolidated financial statements for the year ended 31 December 2019

10 FINANCE COSTS

	2019	2018
	£	£
Bank interest payable	-	213
Interest charges on outstanding trade creditor balances	178,965	161,381
Interest expense on lease liabilities	23,773	-
	<u>202,738</u>	<u>161,594</u>

At each close of certain funds, Equitix Investment Management Limited incurred a placement fee liability. Interest is charged on outstanding balances relating to individual funds in accordance with the terms of each transaction until the contractual settlement date at a fixed rate ranging from 4-5%.

11 TAX

	2019	2018
	£	£
Current tax:		
UK corporation tax - current year	(9,491,655)	(5,067,373)
- prior year	2,851,148	2,811,436
Deferred tax		
UK deferred tax - current year	-	-
- prior year	-	-
	<u>(6,640,507)</u>	<u>(2,255,937)</u>

The charge for the year can be reconciled to the profit in the income statement as follows:

	2019	2018
	£	£
Profit before tax	<u>60,850,003</u>	<u>64,330,115</u>
Tax at the UK corporation tax rate of 19% (2018 - 19%).	(11,561,501)	(12,222,722)
Tax effect of non-taxable expenses and non-taxable income	2,442,045	7,267,561
Difference between depreciation and capital allowances	(12,685)	(9,890)
Adjustments relating to the previous year	2,851,148	2,811,436
Amortisation of capitalised revenue expenditure	4,929	5,154
Non-UK domestic taxes provided for	(39,377)	-
Losses not utilised	(325,066)	(107,476)
Tax expense for the year	<u>(6,640,507)</u>	<u>(2,255,937)</u>

A deferred tax asset has not been recognised in respect of timing differences relating to carried forward losses and the difference between depreciation and capital allowances, as there is insufficient evidence that the asset will be recovered. The maximum potential value of this deferred tax asset is £20,856 (2018 - £130,226).

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. This will increase the company's future current tax charge accordingly.

12 INVESTMENTS

	2019	2018
	£	£
Investments held at fair value through profit and loss:		
Opening balance	<u>101,876,025</u>	<u>60,820,535</u>
Additions at cost	5,207,117	10,957,222
Income from participating interests	2,599,614	2,598,710
Change in fair value of investments	12,306,400	28,125,920
Less: distributions received	(1,574,829)	(626,362)
Closing balance	<u>120,414,327</u>	<u>101,876,025</u>

Notes to the consolidated financial statements for the year ended 31 December 2019

12 INVESTMENTS (continued)

	2019 £	2018 £
Investments in joint ventures		
Opening balance	116,500	116,500
Additions at cost	-	-
Closing balance	116,500	116,500

Investments held at fair value, as disclosed above, represents the investment the Group holds in Equitix Fund I LP, Equitix Fund II LP, Equitix Fund III LP, Equitix Fund IV LP, Equitix V LP, Equitix MA Fund I LP, Equitix MA Fund 10 LP, Equitix MA Fund 11 LP, Energy Saving Investments LP and Equitix Energy Efficiency Fund LP under the terms of separate Limited Partnership Agreements for each respective Fund. All Funds are unregulated collective investment schemes.

These investments are held at fair value, representing the aggregate of amortised additions at cost and the Group's share of results of each Fund.

13 PROPERTY, PLANT AND EQUIPMENT

	Computer equipment £	Fixtures and fittings £	Leasehold £	Right-of-use Assets £	Total £
Cost					
Balance at 1 January 2018	519,500	433,823	-	-	953,323
Additions	217,857	74,436	-	-	292,293
Balance at 31 December 2018	737,357	508,259	-	-	1,245,616
At 1 January 2019	737,357	508,259	-	-	1,245,616
Recognition of right-of-use asset on initial application of IFRS 16	-	-	-	702,057	702,057
Adjusted balance at 1 January 2019	737,357	508,259	-	702,057	1,947,673
Additions	103,136	210,397	27,040	9,112,752	9,453,325
Balance at 31 December 2019	840,493	718,656	27,040	9,814,809	11,400,998
Accumulated depreciation and impairment					
Balance at 1 January 2018	446,178	296,851	-	-	743,029
Charge for the year	66,699	41,198	-	-	107,897
Balance at 31 December 2018	512,877	338,049	-	-	850,926
At 1 January 2019	512,877	338,049	-	-	850,926
Charge for the year	10,140	164,367	629	148,543	323,679
Balance at 31 December 2019	523,017	502,416	629	148,543	1,174,605
Net book value					
At 31 December 2018	224,480	170,210	-	-	394,690
At 31 December 2019	317,476	216,240	26,411	9,666,266	10,226,393

Right-of-use assets are recognised as a result of the initial application of IFRS 16 Leases and relate to office spaces subject to rental leases. Previously all property office leases were classified and accounted for as operating leases. Refer to Note 16 for further detail on the accounting relating to this initial application.

The Directors have considered the value of fixed assets without revaluing them, and are satisfied that the aggregate value of those assets at the time in question was not less than the value stated in the Group's accounts.

14 INTANGIBLE ASSETS

	Primary projects £	Placement fees £	Total £
Cost			
At 1 January 2018	10,765,576	10,454,000	21,219,576
Additions	747,931	699,050	1,446,981
At 1 January 2019	11,513,507	11,153,050	22,666,557
Additions	-	2,806,633	2,806,633
At 31 December 2019	11,513,507	13,959,683	25,473,190
Amortisation			
At 1 January 2018	10,600,280	8,165,452	18,765,732
Charge for the year	277,905	1,018,283	1,296,188
At 1 January 2019	10,878,185	9,183,735	20,061,920
Charge for the year	373,684	1,741,872	2,115,556
At 31 December 2019	11,251,869	10,925,607	22,177,476
Carrying amount			
At 31 December 2019	261,638	3,034,076	3,295,714
At 31 December 2018	635,322	1,969,315	2,604,637

Notes to the consolidated financial statements for the year ended 31 December 2019

14 INTANGIBLE ASSETS (continued)

Intangible assets represent the cost to the Group of entering into primary projects with partners at a preferred bidder position and fund placement fees incurred on the close of each fund with Evercore Partners LLP, First Avenue Partners LLP, McClean and Partners Limited and B Finance UK Limited.

Intangible assets relating to primary projects are amortised over the construction term of projects and those relating to placement fees are amortised over the investment period of the individual fund, typically 5 years from first close.

Additions to placement fee intangible assets comprise amounts incurred in relation to capital raised in Equitix Fund V LP and Equitix European Infrastructure I SCSp during the year.

15 RECEIVABLES

	2019	2018
	£	£
Trade and other receivables		
Due within one year:		
Other debtors	658,318	144,880
Deferred primary bid costs	2,482,759	1,521,050
Prepayments	631,159	846,214
VAT receivable	375,577	-
Accrued income	12,028,237	9,211,291
Amounts due from related parties (see Note 25)	<u>33,115,460</u>	<u>45,561,454</u>
	<u>49,291,510</u>	<u>57,284,889</u>
Due after one year:		
Other debtor	1,479,460	-
Amounts due from related parties (see Note 25)	<u>19,568,826</u>	<u>12,749,047</u>
	<u>21,048,286</u>	<u>12,749,047</u>
	2019	2018
	£	£
Ageing of past due debtors but not impaired:		
Less than 30 days	-	-
31 - 60 days	-	-
121 days +	<u>658,318</u>	<u>144,881</u>

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. No provision has been made for bad or doubtful debts.

16 LEASES

This note explains the impact of the adoption of IFRS 16 Leases on the group's financial statements and discloses the new accounting policies that have been applied from 1 January 2019 in note 16(b) below.

The group has adopted IFRS 16 from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

(a) Adjustments recognised on adoption of IFRS 16

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 4.0%.

	£
Lease liability recognised as at 1 January 2019	708,979
Of which are:	
Current lease liabilities	142,851
Non-current lease liabilities	<u>566,128</u>
Total lease liability	<u>708,979</u>

Notes to the consolidated financial statements for the year ended 31 December 2019

16 LEASES (continued)

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

	31 December 2019 £	1 January 2019 £
<i>Recognised right-of-use assets relate to the following:</i>		
Properties	<u>9,666,266</u>	<u>702,057</u>
<i>Recognised lease liabilities relate to the following:</i>		
Properties	<u>9,679,908</u>	<u>708,979</u>

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- right-of-use assets: increase by £702,057

- lease liabilities: increase by £708,979

The net impact on retained earnings on 1 January 2019 was a decrease of £6,922

(i) In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(b) The group's leasing activities and how these are accounted for

The group leases various office spaces and rental contracts are typically made for fixed periods of at least 2 years but may have extension options or contain market review clauses at specified dates in the contract. Lease terms are negotiated on an individual basis. Previously all office leases were classified and accounted as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease. In the prior year, the minimum lease payments under operating leases recognised as an expense during the period was £369,139 relating to office space leases.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the lease term on a straight-line basis. Assets and liabilities arising from a lease are initially measured on a present value basis with the lease liability including the net present value of the fixed payments.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

Notes to the consolidated financial statements for the year ended 31 December 2019

16 LEASES (continued)

The following amounts have been recognised in profit or loss for which the Group is a lessee:

2019 - Leases under IFRS 16	£
Interest expense on lease liabilities	16,851
Expenses relating to short term leases	433,198
2018 - Operating leases under IAS 17	
Lease expense	369,139

17 CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Cash and cash equivalents	12,712,319	6,381,074

Cash and cash equivalents comprise cash on hand and at bank held by the Group and short-term bank deposits with an original maturity date of three months or less. The carrying amount of these assets approximates their fair value.

18 TRADE AND OTHER PAYABLES

	2019	2018
	£	£
<u>Due within one year:</u>		
Trade creditors and accruals	638,112	907,795
Accrued liabilities	10,760,765	7,855,008
Social security costs	1,244,970	988,688
Deferred income	217,000	145,364
Corporation tax	5,990,707	8,909,669
VAT creditor	-	601,111
	18,851,554	19,407,635
<u>Due within more than one year:</u>		
Trade creditors and accruals	487,845	857,613
	487,845	857,613

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average period taken for trade purchases is 117 days (2018:107 days). The Group has financial risk management policies in place to ensure that all payables are satisfied within the relevant credit period.

19 BORROWINGS

In the current and prior year, the Group had access to, via Pace Bidco Limited, a revolving credit facility of £5,000,000 with Royal Bank of Scotland and Investec Bank. The Group has an intercompany loan agreement with Pace Bidco Limited, to enable it to borrow the proceeds of drawings made on Pace Bidco Limited's facility.

The Group has made no such drawings during the year and does not foresee the need for a drawdown in the short to medium term.

Pace Bidco Limited's financial statements contain details on the terms of the revolving credit facility, details of how to obtain a copy of Pace Bidco Limited's financial statements are provided in Note 9 of the Company's financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2019

20 SUBSIDIARIES

Details of all Group subsidiary undertakings, including the subsidiary name, registered address, proportion of ownership interest is given in Note 7 to the notes of the Company financial statements.

21 NON-CONTROLLING INTEREST

Senior management of a subsidiary, Equitix Management Services ("EMS"), have participated in a share scheme to align their objectives with that of the board of directors to grow a sustainable, long-term business. The Directors believe this is a better remuneration strategy than simple salary and bonus schemes and therefore have constructed the share ownership under a flowering share regime. The shares will flower to become full rights bearing ordinary shares once certain growth, profitability and liquidity targets have been met; this target was met and satisfied during the current financial year, accordingly the accounts presented include a minority interest relating to these rights as described.

As a result of this transaction, 10% of the ownership of EMS as at 1 January 2019 was transferred to these individuals.

22 SHARE CAPITAL

	2019 £	2018 £
Authorised, issued and fully paid up:		
100,001 (2018: 100,001) ordinary "A" class shares of £0.005 each	500	500
100,000 (2018: 100,000) ordinary "B" class shares of £0.005 each	500	500
22,500 (2018: 22,500) ordinary "C" class shares of £0.005 each	113	113
	<u>1,113</u>	<u>1,113</u>

The Company has three classes of ordinary shares as outlined above, none of which carry any rights to fixed income.

The three classes of shares rank pari passu except for the following differences:

- only "A" and "C" shares carry the right to vote;
- except for winding up or realisation (defined as a sale or disposal of the majority of the assets of the Company) amounts distributed as income or capital are first paid to the "B" shareholders up to the amount on each "B" share, with the remainder paid to the "A" shareholders. "C" shareholders are not entitled to receive any distributions;
- upon winding up of the Company the "A" shareholder is paid with the "B" and "C" shareholders only entitled to the amount paid up on their shares; and
- upon a realisation the "A" shareholder is paid first up to the point all indebtedness is settled and the target return is made with the remaining surplus repaying the share capital contribution of the "C" class shareholder with the remaining surplus being paid to the "B" shareholders.

23 NOTES TO THE CASH FLOW STATEMENT

	2019 £	2018 £
Profit for the year	54,209,496	62,074,178
Adjustments for:		
Investment revenues	(128)	(32,518)
Finance costs	202,738	161,594
Depreciation of property, plant and equipment	323,679	107,897
Amortisation of intangibles	2,115,556	1,296,188
Change in fair value of investments	(12,306,400)	(28,125,920)
Tax expense	6,640,507	2,255,937
Operating cash flows before movements in working capital	51,185,448	37,737,356
Dividends paid	(27,284,590)	(8,101,225)
Change in receivables	1,515,922	(15,369,695)
Change in payables	(10,485,317)	567,975
Net cash from operating activities	14,931,463	14,834,411

Notes to the consolidated financial statements for the year ended 31 December 2019

24 FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group comprises borrowings as disclosed in Note 19, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Notes 22. The Group aims to deliver objectives by investing available cash and using financial leverage whilst maintaining sufficient liquidity to meet ongoing expenses and dividend payments.

Externally imposed capital requirements

Within the Group, Equitix Investment Management Limited is authorised and regulated by the Financial Conduct Authority and certain entities domiciled in Guernsey are authorised and regulated by the Guernsey Financial Services Commission, and as such have a requirement to maintain a certain level of capital adequacy.

To ensure that this capital adequacy level is met, the matter is discussed and verified at each Group level board meeting as well as at all board meetings for each entity. The Financial Conduct Authority require quarterly reports from Equitix Investment Management Limited, one of which focuses upon capital adequacy, therefore this matter is given the proper amount of weighting in board discussions on a regular basis. The Guernsey Financial Services Commission review the capital of each of the companies it regulates when these companies submit their annual financial statements; however this matter is also given the appropriate weighting in each board meeting to ensure minimum levels are satisfied.

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 1 to the financial statements.

Categories of financial instruments

	2019	2018
Financial assets	£	£
Fair value through profit and loss		
Investments as disclosed in Note 12	120,414,327	101,876,025
Loans and receivables		
Trade and other receivables	70,339,796	70,033,935
Cash and cash equivalents	12,712,319	6,381,074
Financial liabilities		
Trade and other payables	(11,886,722)	(9,620,416)

FINANCIAL RISK MANAGEMENT

Risk management objectives

The Directors provide advice to the Company and Group on all risks faced and manage the financial risks relating to the operations of the Group 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 Group seeks to minimise exposure to risk via the use of derivative financial instruments where possible. The use of derivative financial instruments is governed by the Group's policies which provide written principles on interest rate risk, credit risk and the use of financial derivatives and non-financial derivatives, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

The Group's activities expose it partially to certain market risks including potential government public spending cuts that could lead to a reduction in the volume of suitable PFI primary projects coming to market for development. The Group mitigates this risk by seeking opportunities away from the open primary market by entering into projects that are already in a preferred bidder status where a current equity provider is not in position to make its equity subscriptions. The Group has also widened its focus on primary projects to include emerging infrastructure markets such as energy solutions, student accommodation and waste; the directors feel that because the government has strict targets on these projects that this new market will present the Group with a sustainable pipeline for development.

The Group may invest in investments which are denominated in currencies other than pounds sterling and, accordingly, adverse exchange rate fluctuations may cause the value of investments to diminish. As at 31 December 2019 there were nil investments denominated in foreign currency (2018: nil).

Interest rate risk management

The Group has an intercompany loan agreement with Pace Bidco Limited, the Group's immediate parent undertaking, that has a revolving credit facility with Royal Bank of Scotland for £5,000,000 (2018 - £5,000,000). If required, Pace Bidco Limited can draw funds on the revolving credit facility and lend them on to the Group to meet the costs of the business, at a fixed interest rate of 5%, as such the Group does not have any exposure to interest rate risk.

The Group does not forecast any need to call on its intercompany loan facility with Pace Bidco Limited for the foreseeable future, accordingly the Directors do not believe that the Group is materially exposed to interest rate risk.

Interest rate sensitivity analysis

The Group does have an intercompany loan agreement with Pace Bidco Limited, the Group's immediate parent undertaking, which has a fixed interest rate.

The Group does not forecast any drawings on this facility for the foreseeable future, therefore the Directors believe that the Group's exposure to interest rate risk is limited, and have not disclosed any interest rate sensitivities in these financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2019

24 FINANCIAL INSTRUMENTS (continued)*Credit risk management*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral as a means of mitigating the risk of financial loss from defaults.

The Group only transacts with creditworthy concession companies that have a cash flow derived from projects in agreement with government authorities and financially strong counterparties, and with unregulated collective investment schemes managed by the Group's subsidiary Equitix Investment Management Limited.

Rigorous testing is performed on every new investor to the Funds limiting the risk of counterparty default in respect of investments that the Group offers to the Funds. The Group also limits its receivables to these counterparties to mitigate the risk of counterparty default resulting in financial loss to the Group.

Investment management fees are charged semi-annually in advance based on the value of drawdown invested funds, this income is deducted from Fund returns at source, limiting the risk of fund investor default.

The Group transacts with Energy Saving Investments LP, which has been evaluated to ensure that the risk of counterparty default is minimised and managed. Investment management fees for Energy Saving Investments LP are charged monthly in arrears based on the value of drawdown invested funds.

Where the Group forms a consortium with project stakeholders, rigorous checks are performed to ensure that all exposure to credit risk is mitigated, and that all project partners have the capacity and resources to afford the costs associated to the entire bid process and to meet their relative deliverables.

The Group has a selective bidding strategy, only pursuing projects where there is a high chance of bidding success and where the procuring authority is dedicated to closing and delivering the project. This strategy the risk that bidding costs overrun success fees and become a financial burden to the Group.

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 Group's short-, medium- and long-term funding and liquidity management requirements. The Group 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 Group has an intercompany loan agreement, which has a fixed interest rate, with Pace Bidco Limited, the Group's immediate parent undertaking to draw intercompany loans to fund the activities of the Group as necessary.

Pace Bidco Limited, has a revolving credit facility, with Royal Bank of Scotland, for £5,000,000 which it can draw on to fund a drawdown request from the Group as necessary; accordingly the Directors believe that the liquidity needs of the Group are addressed and adequately catered for.

Fair value of financial instruments

The Group holds a number of financial instruments in the balance sheet at their fair value. The following hierarchy classifies each class of financial asset or liability depending upon the valuation methodology 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, this level is currently not applicable to the Group;
- 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, this level is currently not applicable to the Group; 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 inputs are unobservable, this is currently applicable as disclosed below.

	2019	2018
	£	£
Financial assets		
Fair value through profit and loss	120,414,327	101,876,025
Loans and receivables	70,339,796	70,033,935
	<u>190,754,123</u>	<u>171,909,960</u>

Loans and receivables above are presented at fair value and represent the net present value of all future associated cash flows attributed to trade and other receivables. The Directors believe these amounts to be recoverable in full and therefore present their fair value as the full outstanding balance due to their short term nature and the quality of receivable counterparty.

Notes to the consolidated financial statements for the year ended 31 December 2019

24 FINANCIAL INSTRUMENTS (continued)

Financial assets as stated on the previous page are held at fair value and determined to be level 3 items. The fair value of these assets is determined through a discounted cash flow method with the result representing the net present value of all future associated cash flows. The discount rate used is equivalent to the interest attached to the loans and receivables relevant to each outstanding balance as disclosed in Note 15.

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 on the degree to which fair value is observable as explained on the preceding page.

Assets

	Level 1	Level 2	Level 3	Total
	£	£	£	£
2019				
Investments at fair value through profit and loss	-	-	120,414,327	120,414,327
	-	-	120,414,327	120,414,327

	Level 1	Level 2	Level 3	Total
	£	£	£	£
2018				
Investments at fair value through profit and loss	-	-	101,876,025	101,876,025
	-	-	101,876,025	101,876,025

There were no transfers between levels 1 and 2 during the current or prior years.

Reconciliation of level 3 fair value measurements of financial assets

	Investments at FVTPL	Total
	£	£
Balance as at 1 January 2019	101,876,025	101,876,025
Total gains or losses:		
in profit or loss	14,906,014	14,906,014
through cash flow	(1,574,829)	(1,574,829)
Additions during the year	5,207,117	5,207,117
Balance as at 31 December 2019	120,414,327	120,414,327

The table above only includes financial assets held at level 3 fair value. There were no financial liabilities that have had fair value adjustments applied to their historic cost on a level 3 fair value measurement basis.

The investments at fair value through profit and loss, whose fair values include the use of Level 3 inputs, are valued by the Group taking its share of results for each of the Funds in which it has invested as discussed in Note 12.

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

Assets

	Less than 1 year	1-2 years	2+ years	Total
	£	£	£	£
2019				
Cash and cash equivalents	12,712,319	-	-	12,712,319
	12,712,319	-	-	12,712,319
2018				
Cash and cash equivalents	6,381,074	-	-	6,381,074
	6,381,074	-	-	6,381,074

Notes to the consolidated financial statements for the year ended 31 December 2019

24 FINANCIAL INSTRUMENTS (continued)

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

Liabilities	Less than 1 year	1-2 years	2+ years	Total
	£	£	£	£
2019				
Trade and other payables	11,398,877	297,256	190,589	11,886,722
	<u>11,398,877</u>	<u>297,256</u>	<u>190,589</u>	<u>11,886,722</u>
2018				
Trade and other payables	8,762,803	697,771	159,842	9,620,416
	<u>8,762,803</u>	<u>697,771</u>	<u>159,842</u>	<u>9,620,416</u>

25 RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its associates are disclosed below.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. Further information about the remuneration of the highest paid director is provided in Note 8.

	2019	2018
	£	£
Short-term employee benefits	3,198,533	1,609,472
Post employment benefits	<u>92,603</u>	<u>86,562</u>
	<u>3,291,136</u>	<u>1,696,034</u>

There are no other transactions with Directors or other members of key management personnel that meet the requirements of Schedule 6 of the Act and IAS 24.

The table of data below summarises aggregate investment revenue, share of participating interests and turnover by related party for the current financial year with comparable data for the preceding year; these values are then broken down into sub-categories further in this note.

Notes to the consolidated financial statements for the year ended 31 December 2019

25 RELATED PARTY TRANSACTIONS (continued)

The table below represents investment revenue, share of participating interests and turnover per each related party broken down into each sub-category of income with comparable data for the prior year.

Counter party	Income type	Investment revenue		Share of participating interests		Turnover	
		2019	2018	2019	2018	2019	2018
		£	£	£	£	£	£
Equitix Fund I LP	Share of participating interests	-	-	221,760	(970)	-	-
Equitix Fund II LP	Share of participating interests	-	-	627,920	570,170	-	-
Equitix Fund III LP	Share of participating interests	-	-	30,680	375,070	-	-
Equitix Fund IV LP	Share of participating interests	-	-	1,225,570	1,220,170	-	-
Equitix Fund V LP	Share of participating interests	-	-	410,724	(10,270)	-	-
Equitix MA Fund I LP	Share of participating interests	-	-	434,990	417,460	-	-
Energy Savings Investments LP	Share of participating interests	-	-	(178,050)	23,170	-	-
Equitix Energy Efficiency Fund LP	Share of participating interests	-	-	(173,980)	3,910	-	-
345 Rail Leasing Limited	Management services income	-	-	-	-	39,113	-
Access for Wigan Limited	Management services income	-	-	-	-	84,850	82,625
Albrighton Solar Farm Limited	Management services income	-	-	-	-	23,747	18,667
Alpha Schools (Highland) Limited	Management services income	-	-	-	-	82,427	-
Apple Bidco 2 Limited	Management services income	-	-	-	-	46,505	-
Arden Partnership (Derbyshire) Limited	Management services income	-	-	-	-	26,386	25,678
Arden Partnership (Leicester) Limited	Management services income	-	-	-	-	26,386	25,678
Arden Partnership (Lincolnshire) Limited	Management services income	-	-	-	-	26,386	36,278
Ash Holdco 3 Ltd	Management services income	-	-	-	-	12,500	-
Barnsley Local Education Partnership Limited	Management services income	-	-	-	-	472,487	581,293
Birmingham Highways Ltd	Management services income	-	-	-	-	367,585	-
Bradford & Airedale Lift Limited	Management services income	-	-	-	-	141,086	10,000
Bridgewater Resource Recovery Ltd	Management services income	-	-	-	-	120,207	2,648,266
Cambrian Rail Partnership No.1 LLP	Management services income	-	-	-	-	34,476	-
Cambrian Rail Partnership No.2 LLP	Management services income	-	-	-	-	38,863	-
Cambridgeshire Learning and Community Partnerships	Management services income	-	-	-	-	164,005	73,091
	Investment revenue	-	7,622	-	-	-	-
Canworthy Solar Limited	Management services income	-	-	-	-	20,973	21,670
Cape Renewables Limited	Management services income	-	-	-	-	6,594	2,075
Civitas Living LLP	Construction management of primary projects	-	-	-	-	8,347	-
Clinitek (Malvern) LLP	Management services income	-	-	-	-	14,778	-
Clinitek Prop LLP	Management services income	-	-	-	-	1,022	-
Community Lighting Partnerships (Blackpool) Ltd	Management services income	-	-	-	-	27,252	26,626
Community Lighting Partnerships (Oldham) Ltd	Management services income	-	-	-	-	27,252	26,626
Community Lighting Partnerships (Rochdale) Ltd	Management services income	-	-	-	-	27,252	26,626
Cowdown Solar Limited	Management services income	-	-	-	-	45,970	23,411
Debdale Solar Limited	Management services income	-	-	-	-	23,996	27,310
Derbyshire Learning and Community Partnerships	Management services income	-	-	-	-	88,916	-
Dorset Lift Company	Management services income	-	-	-	-	184,092	128,213
Dorset Lighting (Finance) Limited	Management services income	-	-	-	-	27,637	26,867
E4I Schools Limited	Management services income	-	-	-	-	68,419	66,583
Ealing Lighting (Finance) Ltd	Management services income	-	-	-	-	39,154	38,112
Equitix (ABCD) Limited	Management services income	-	-	-	-	7,500	-
Equitix (Howden House) Limited	Management services income	-	-	-	-	88,377	86,025
Equitix Copeland Limited	Management services income	-	-	-	-	70,348	99,147
Equitix Education (Cambridgeshire) Limited	Management services income	-	-	-	-	-	86,549
Equitix Education Derbyshire Limited	Management services income	-	-	-	-	-	86,549
Equitix EEEF WTE (Baddesley) Limited	Management services income	-	-	-	-	75,560	81,012
Equitix ESI CHP (Nottingham) Limited	Management services income	-	-	-	-	17,667	-
Equitix ESI CHP (Sheff) Limited	Management services income	-	-	-	-	17,667	-
Equitix Exeter III LP	Management services income	-	-	-	-	27,238	26,507
Equitix Fire Control (Durham) IV LP	Management services income	-	-	-	-	32,755	32,218
Equitix Galvani Limited	Management services income	-	-	-	-	20,027	-
Equitix Grimsby MA I LP	Management services income	-	-	-	-	10,895	10,603
Equitix Healthcare (Lancaster) Limited	Management services income	-	-	-	-	76,620	73,992
Equitix Healthcare (Surrey) Limited	Management services income	-	-	-	-	2,472	2,386
Equitix Housing 2 Limited	Construction management of primary projects	-	-	-	-	531,200	1,141,197
Equitix Housing IV LP	Management services income	-	-	-	-	27,238	-
Equitix Hubco 4 Limited	Construction management of primary projects	-	-	-	-	667,029	1,428,276
Equitix Infrastructure 3 Limited	Construction management of primary projects	-	-	-	-	-	232,757
Equitix Infrastructure 4 Limited	Construction management of primary projects	-	-	-	-	2,274,999	501,045
Equitix Infrastructure 5A Limited	Construction management of primary projects	-	-	-	-	214,286	-
Equitix Kessingland Limited	Management services income	-	-	-	-	9,877	-
Equitix MA Infrastructure Limited	Construction management of primary projects	-	-	-	-	2,099,250	779,902
Equitix MA Partridge Ltd	Primary bidding success fees	-	-	-	-	5,217,391	5,122,486
Equitix NCP English LP	Management services income	-	-	-	-	38,836	2,023,522
Equitix Renaissance IV LP	Management services income	-	-	-	-	43,581	42,412
Equitix Rory Limited	Management services income	-	-	-	-	12,000	-
Equitix Social Housing 4 LP	Management services income	-	-	-	-	-	26,507
Equitix Solar (1) Ltd	Management services income	-	-	-	-	20,973	-
Equitix V Primary Infrastructure LP	Primary bidding success fees	-	-	-	-	9,781,063	3,597,825
Equitix Wern Odu Limited	Management services income	-	-	-	-	9,877	-
EWCC2 GHF LIMITED	Management services income	-	-	-	-	29,905	-
EWCC3 BERWICK LIMITED	Management services income	-	-	-	-	18,363	-
EWCC4 Ottringham Limited	Management services income	-	-	-	-	4,581	-
Far Marsh Wind Farm Limited	Management services income	-	-	-	-	4,581	-
Fenton Holdco Limited	Management services income	-	-	-	-	75,667	-
Fifty ID RE 2 Limited	Management services income	-	-	-	-	5,247	45,720
Fifty ID RE Limited	Management services income	-	-	-	-	4,903	2,104
Freemens Common Village LLP	Construction management of primary projects	-	-	-	-	56,250	-
Full Circle Generation Limited	Management services income	-	-	-	-	396,620	447,549
Gaia Heat Limited	Management services income	-	-	-	-	(44,916)	21,999
Greater Gabbard OFTO PLC	Management services income	-	-	-	-	160,770	256,232
Greater Nottingham LiftCo	Management services income	-	-	-	-	160,108	21,235
Greencroft Solar Limited	Management services income	-	-	-	-	23,675	18,260
Greenwich BSF SPV Limited	Management services income	-	-	-	-	112,938	109,932
Handley Park Solar Limited	Management services income	-	-	-	-	-	50,573
Haymaker (Handley Park Solar) Limited	Management services income	-	-	-	-	23,996	-
Sub-total		-	7,622	2,599,614	2,598,710	24,746,077	20,370,216

Notes to the consolidated financial statements for the year ended 31 December 2019

25 RELATED PARTY TRANSACTIONS (continued)

The table below represents investment revenue, share of participating interests and turnover per each related party broken down into each sub-category of income with comparable data for the prior year.

Counter party	Income type	Investment revenue		Share of participating interests		Turnover	
		2019	2018	2019	2018	2019	2018
		£	£	£	£	£	£
Healthcare Support (Newham) Limited	Management services income	-	-	-	-	254,652	448,523
Hub South West Scotland Limited	Management services income	-	-	-	-	1,689,441	582,248
Hub SW Ayr DBFM Co Limited	Management services income	-	-	-	-	115,664	-
Hub SW Ayr Sub Hub Co Limited	Management services income	-	-	-	-	-	101,582
Hub SW Cumbernauld DBFM Co Limited	Management services income	-	-	-	-	98,549	95,141
	Construction management of primary projects	-	-	-	-	16,009	-
Hub SW Dalbeattie DBFM Co Limited	Management services income	-	-	-	-	115,517	113,047
Hub SW EALC DBFM Co Limited	Management services income	-	-	-	-	115,251	104,156
Hub SW Greenfaulds Sub Hub Co Limited	Management services income	-	-	-	-	113,811	99,071
Hub SW Largs DBFM Co Limited	Management services income	-	-	-	-	108,394	104,353
Hub SW NHSL Sub Hubco Limited	Management services income	-	-	-	-	238,819	204,882
Hub SW QMA DBFM Co Limited	Management services income	-	-	-	-	116,586	117,355
INTEGRATED CARE SOLUTIONS (EAST KENT) LIMITED	Management services income	-	-	-	-	15,000	-
INTEGRATED CARE SOLUTIONS (SHROPSHIRE) LIMITED	Management services income	-	-	-	-	15,000	-
Islington Lighting Ltd	Management services income	-	-	-	-	39,154	52,112
JAL Midco Limited	Management services income	-	-	-	-	15,484	-
Jura Acquisition Limited	Management services income	-	-	-	-	41,417	-
Jura Holdings Limited	Management services income	-	-	-	-	31,020	4,097
Justice Support Services (Norfolk & Suffolk) Ltd	Management services income	-	-	-	-	110,198	95,478
Kappa Solar Ltd	Management services income	-	-	-	-	23,675	20,808
Kinetica Micklehurst Limited	Management services income	-	-	-	-	15,209	6,534
Leeds PFI SPV 2 Limited	Management services income	-	-	-	-	194,029	182,144
Leicester Lift CO Limited	Management services income	-	-	-	-	173,948	147,291
Lift Holdings	Management services income	-	-	-	-	12,223	66,583
Luminous Energy (CA) Ltd	Management services income	-	-	-	-	23,747	22,365
MG SPV No 1 Limited	Management services income	-	-	-	-	15,209	6,534
MG SPV No2 Limited	Management services income	-	-	-	-	30,418	6,534
MG SPV No3 Limited	Management services income	-	-	-	-	-	6,534
Michaelston Solar Ltd	Management services income	-	-	-	-	23,675	18,260
Mount Oswald Colleges LLP	Management services income	-	-	-	-	12,080	1,019,282
	Construction management of primary projects	-	-	-	-	164,910	-
Newbury College	Management services income	-	-	-	-	1,119	1,089
Newton Solar Limited	Management services income	-	-	-	-	20,973	23,338
North Nottinghamshire LiftCo	Management services income	-	-	-	-	146,405	94,615
Nova Scotia Solar Limited	Management services income	-	-	-	-	20,973	23,338
NPH Healthcare Limited	Management services income	-	-	-	-	590,778	508,986
OAK FARMING RENEWABLES LIMITED	Management services income	-	-	-	-	4,581	-
Pitbeadlie Renewables Limited	Management services income	-	-	-	-	15,209	6,534
PSBP Midlands Limited	Management services income	-	-	-	-	750	188,839
PSBP NW Project Co Limited	Management services income	-	-	-	-	163,609	115,804
Race Solar Limited	Management services income	-	-	-	-	20,973	23,338
Rivendell Leisure Limited	Management services income	-	-	-	-	-	5,500
Roehampton Hospital Limited	Management services income	-	-	-	-	142,501	119,300
RS Collocott Limited	Management services income	-	-	-	-	23,996	24,235
S4B Limited	Management services income	-	-	-	-	175,461	170,792
	Construction management of primary projects	-	-	-	-	70,364	39,000
Sandwell LiftCo	Management services income	-	-	-	-	1,528	38,112
Scotia Water Dalmuir Limited	Management services income	-	-	-	-	128,271	124,989
Seaford Ealing Limited	Management services income	-	-	-	-	82,061	74,993
Sheringham Shoal Offshore Wind Farm	Management services income	-	-	-	-	25,731	43,557
Sigma Solar Ltd	Management services income	-	-	-	-	23,675	20,808
Solutions 4 North Tyneside Ltd	Management services income	-	-	-	-	114,905	111,847
South Derbyshire LiftCo	Management services income	-	-	-	-	178,265	3,180
Stag Primary Care	Management services income	-	-	-	-	56,023	86,549
Stellar (Bristol Tower) Limited	Management services income	-	-	-	-	13,006	-
Stellar (Eclipse) Limited	Management services income	-	-	-	-	13,006	-
Stellar (Merlin Heights) Limited	Management services income	-	-	-	-	13,006	-
Stellar (Nova Nottingham) LLP	Management services income	-	-	-	-	13,006	-
Stellar (Plummer House) Limited	Management services income	-	-	-	-	13,006	-
Stoney Creek Wind Farm Limited	Management services income	-	-	-	-	4,581	-
Stretton Solar Limited	Management services income	-	-	-	-	23,747	27,310
Tay Valley Lighting (Hampshire) Ltd	Management services income	-	-	-	-	27,967	27,223
Tay Valley Lighting (Knowlsey) Limited	Management services income	-	-	-	-	27,967	27,223
Tay Valley Lighting (Nottingham) Limited	Management services income	-	-	-	-	44,154	38,112
Tay Valley Lighting (Southampton) Ltd	Management services income	-	-	-	-	27,967	27,223
Tay Valley Lighting (West Sussex) Ltd	Management services income	-	-	-	-	27,967	37,223
Thame Solar Farm Ltd	Management services income	-	-	-	-	23,675	17,808
Thames Partnership for Learning Limited	Management services income	-	-	-	-	-	122,252
TORC Sustainable Housing Limited	Construction management of primary projects	-	-	-	-	35,889	-
TPFL Project Co Limited	Construction management of primary projects	-	-	-	-	360,336	-
Transform Schools Lanarkshire Limited	Management services income	-	-	-	-	36,040	-
Uliving @ Essex 2 Limited	Management services income	-	-	-	-	92,213	45,553
Uliving @ Essex Limited	Management services income	-	-	-	-	127,601	121,769
Uliving @ Gloucestershire Limited	Management services income	-	-	-	-	93,597	90,652
Valley Rail Partnership No.1 LLP	Management services income	-	-	-	-	36,694	-
Valley Rail Partnership No.2 LLP	Management services income	-	-	-	-	35,282	-
Wreay Solar Limited	Management services income	-	-	-	-	23,662	19,329
Sub-total		-	-	-	-	7,061,609	6,075,334
TOTAL		-	7,622	2,599,614	2,598,710	31,807,686	26,445,550

Notes to the consolidated financial statements for the year ended 31 December 2019

25 RELATED PARTY TRANSACTIONS (continued)

The table below summarises the debtor and investment balances by related party as at the balance sheet date with comparable data presented for the prior year; these balances are broken down further in this note.

Counter party	Debtor type	Debtor		Investments	
		2019	2018	2019	2018
		£	£	£	£
Access for Wigan Limited	Outstanding management services income	8,845	8,622	-	-
Albrighton Solar Farm Limited	Outstanding management services income	-	2,331	-	-
Alpha Schools (Highland) Limited	Outstanding management services income	16,485	-	-	-
Apple Bidco 2 Limited	Outstanding management services income	4,000	-	-	-
Arden Partnership (Derbyshire) Limited	Outstanding management services income	2,655	2,590	-	-
Arden Partnership (Leicester) Limited	Outstanding management services income	2,655	2,590	-	-
Arden Partnership (Lincolnshire) Limited	Outstanding management services income	2,655	15,310	-	-
Baddesley Waste to Energy	Outstanding management services income	7,298	6,500	-	-
Barnsley Local Education Partnership Limited	Outstanding management services income	276,103	309,291	-	-
Bradford & Airedale Lift Limited	Outstanding management services income	12,000	-	-	-
Bridgewater Resource Recovery Ltd	Outstanding management services income	-	13,200	-	-
Cambrian Rail Partnership No.1 LLP	Outstanding management services income	78	-	-	-
Cambrian Rail Partnership No.2 LLP	Outstanding management services income	78	-	-	-
Cambridgeshire Learning and Community Partnerships	Outstanding management services income	129,851	62,088	-	-
Canworthy Solar Limited	Outstanding management services income	15,835	14,405	-	-
Cape Renewables Limited	Outstanding management services income	1,617	-	-	-
Civitas Living LLP	Outstanding construction management services	10,016	-	-	-
Clinitek Prop LLP	Outstanding management services income	1,227	-	-	-
Cowdown Solar Limited	Outstanding management services income	3,144	2,041	-	-
Debdale Solar Limited	Outstanding management services income	(3,600)	7,865	-	-
Derbyshire Learning and Community Partnerships	Outstanding management services income	(270)	465,811	-	-
Doncaster Lift Company	Outstanding management services income	18,234	51,285	-	-
Dorset Lighting (Finance) Limited	Outstanding management services income	3,141	3,073	-	-
E4I Schools Limited	Outstanding management services income	6,884	6,717	-	-
Ealing Lighting (Finance) Ltd	Outstanding management services income	4,299	26,901	-	-
Education Link (2001) Limited	Outstanding management services income	113	-	-	-
Equitix (Howden House) Limited	Outstanding management services income	8,891	8,679	-	-
Equitix Concessions 3 Limited	Outstanding construction management services	-	5,468,750	-	-
Equitix Copeland Limited	Outstanding management services income	4,502	74,716	-	-
Equitix Education (Cambridgeshire) Limited	Outstanding management services income	9,305	35,287	-	-
Equitix ESI CHP (Nottingham) Limited	Outstanding management services income	5,300	-	-	-
Equitix ESI CHP (Sheff) Limited	Outstanding management services income	7,950	-	-	-
Equitix Exeter III LP	Outstanding management services income	8,221	8,022	-	-
Equitix Fire Control (Durham) IV LP	Outstanding management services income	9,842	9,750	-	-
Equitix Galvani Limited	Outstanding management services income	24,032	-	-	-
Equitix Grimsby MA I LP	Outstanding management services income	3,288	3,209	-	-
Equitix Healthcare (Lancaster) Limited	Outstanding management services income	23,166	48,868	-	-
Equitix Healthcare (Surrey) Limited	Outstanding management services income	921	36,938	-	-
Equitix Highways 2 Limited	Outstanding construction management services	5,190,000	7,190,000	-	-
Equitix Housing 2 Limited	Outstanding construction management services	3,360,960	3,310,264	-	-
Equitix Hubco 4 Limited	Outstanding construction management services	1,601,432	1,744,811	-	-
Equitix Infrastructure 4 Limited	Outstanding construction management services	11,795,008	7,577,879	-	-
Equitix Infrastructure 5A Limited	Outstanding management services income	339,113	-	-	-
Equitix MA Infrastructure Limited	Outstanding construction management services	2,424,559	-	-	-
Equitix MA Partridge Ltd	Outstanding primary bidding success fees	9,770,434	5,122,486	-	-
Equitix NCP English LP	Outstanding primary bidding success fees	33,250	2,373,299	-	-
Equitix Renaissance IV LP	Outstanding management services income	13,154	12,835	-	-
Equitix Social Housing 4 LP	Outstanding management services income	8,221	8,022	-	-
Equitix Solar Finco 4 Ltd	Outstanding management services income	162	-	-	-
Equitix V Primary Infrastructure LP	Outstanding management services income	9,060,346	3,597,825	-	-
Equity Concessions 3 Limited	Outstanding management services income	5,468,750	-	-	-
EW4 Ottringham Limited	Outstanding management services income	1,700	-	-	-
Far Marsh Wind Farm Limited	Outstanding management services income	5,497	-	-	-
Fenton Holdco Limited	Outstanding management services income	90,908	-	-	-
Full Circle Generation Limited	Outstanding management services income	40,490	75,789	-	-
Gaia Heat Limited	Outstanding management services income	-	53,899	-	-
Garn Solar	Outstanding management services income	19,890	2,590	-	-
Greater Gabbard OFTO PLC	Outstanding management services income	25,083	10,526	-	-
Greater Nottingham LiftCo	Outstanding management services income	20,193	-	-	-
Greencroft Solar Limited	Outstanding management services income	-	2,314	-	-
Greenwich BSF SPV Limited	Outstanding management services income	11,361	11,091	-	-
Handley Park Solar Limited	Outstanding management services income	-	21,068	-	-
Healthcare Support (Newham) Limited	Outstanding management services income	25,980	25,360	-	-
Hub South West Scotland Limited	Outstanding management services income	(173,382)	(703,553)	-	-
Hub SW Ayr Sub Hub Co Limited	Outstanding management services income	11,572	11,268	-	-
Hub SW Cumbernauld DBFM Co Limited	Outstanding management services income	8,353	5,534	-	-
Hub SW Dalbeattie DBFM Co Limited	Outstanding management services income	11,932	11,628	-	-
Hub SW EALC DBFM Co Limited	Outstanding management services income	7,756	11,628	-	-
Sub-total		49,801,483	37,171,406	-	-

Notes to the consolidated financial statements for the year ended 31 December 2019

25 RELATED PARTY TRANSACTIONS (continued)

The table below summarises the debtor and investment balances by related party as at the balance sheet date with comparable data presented for the prior year; these balances are broken down further in this note.

Counter party	Debtor type	Debtor		Investments	
		2019	2018	2019	2018
		£	£	£	£
Hub SW Greenfaulds Sub Hub Co Limited	Outstanding management services income	12,146	10,459	-	-
Hub SW Largs DBFM Co Limited	Outstanding management services income	11,319	10,672	-	-
Hub SW NHSL Sub Hubco Limited	Outstanding management services income	160,562	(1,431)	-	-
Hub SW QMA DBFM Co Limited	Outstanding management services income	11,520	-	-	-
Information Resources (Bournemouth) Ltd	Recharge of operating expenses	-	11,687	-	-
Islington Lighting Ltd	Outstanding management services income	4,299	4,205	-	-
JAL Midco Limited	Outstanding management services income	1,500	-	-	-
Jura Holdings Limited	Outstanding management services income	40	2,500	-	-
Justice Support Services (Norfolk & Suffolk) Ltd	Outstanding management services income	23,033	9,908	-	-
Kappa Solar Ltd	Outstanding management services income	-	2,314	-	-
Kent Vanwall Limited	Recharge of operating expenses	-	1,948	-	-
Kinetica Micklehurst Limited	Outstanding management services income	2,986	2,525	-	-
Leeds PFI SPV 2 Limited	Outstanding management services income	18,784	236,991	-	-
Leicester Lift CO Limited	Outstanding management services income	21,632	57,182	-	-
Luminous Energy (CA) Ltd	Outstanding management services income	-	2,331	-	-
MG SPV No 1 Limited	Outstanding management services income	5,884	2,525	-	-
MG SPV No2 Limited	Outstanding management services income	5,884	2,525	-	-
MG SPV No3 Limited	Outstanding management services income	5,884	2,525	-	-
Michaelston Solar Ltd	Outstanding management services income	-	2,314	-	-
Mount Oswald Colleges LLP	Outstanding primary bidding success fees	(49,833)	316,206	-	-
Newton Solar Limited	Outstanding management services income	19,173	16,405	-	-
North Nottinghamshire LiftCo	Outstanding management services income	18,814	74,573	-	-
Nova Scotia Solar Limited	Outstanding management services income	19,872	16,405	-	-
NPH Healthcare Limited	Outstanding primary bidding success fees	-	46,287	-	-
Pitheadlie Renewables Limited	Outstanding management services income	5,884	2,525	-	-
PSBP Midlands Limited	Outstanding management services income	-	9,388	-	-
PSBP NW Projectco Limited	Outstanding management services income	16,176	-	-	-
Race Solar Limited	Outstanding management services income	22,774	16,405	-	-
Roehampton Hospital Limited	Outstanding management services income	78	36,070	-	-
RS Collacott Limited	Outstanding management services income	-	2,331	-	-
S4B Limited	Outstanding management services income	24,306	73,106	-	-
Sandwell LiftCo	Outstanding management services income	461	900	-	-
Scolia Water Dalmuir Limited	Outstanding management services income	13,514	38,350	-	-
Seaford Ealing Limited	Outstanding management services income	23,259	22,696	-	-
Sheringham Shoal Offshore Wind Farm	Outstanding management services income	5,160	-	-	-
Sigma Solar Ltd	Outstanding management services income	-	2,314	-	-
Solutions 4 North Tyneside Limited	Outstanding management services income	12,099	27,264	-	-
South Derbyshire LiftCo	Outstanding management services income	22,002	35,010	-	-
STaG PCT (Projectco) Limited	Outstanding recharged audit fees	-	17,187	-	-
Stoney Creek Wind Farm Limited	Outstanding management services income	(1,700)	-	-	-
Stretton Solar Limited	Outstanding management services income	-	2,331	-	-
Summano Sanita S.p.A. Limited	Outstanding management services income	-	(482,169)	-	-
Tay Valley Lighting (Hampshire) Ltd	Outstanding management services income	3,173	2,926	-	-
Tay Valley Lighting (Knowsley) Ltd	Outstanding management services income	2,993	3,106	-	-
Tay Valley Lighting (Nottingham) Ltd	Outstanding management services income	10,259	4,025	-	-
Tay Valley Lighting (Southampton) Ltd	Outstanding management services income	3,173	2,926	-	-
Tay Valley Lighting (West Sussex) Ltd	Outstanding management services income	3,533	18,033	-	-
Thame Solar Farm Ltd	Outstanding management services income	-	2,314	-	-
Thames Partnership for Learning Limited	Outstanding management services income	33,223	255,217	-	-
TORC Sustainable Housing Limited	Outstanding construction management services	43,067	-	-	-
Uliving @ Essex Limited	Outstanding management services income	13,378	20,617	-	-
Uliving @ Essex 2 Limited	Outstanding management services income	9,566	-	-	-
Uliving @ Gloucestershire Limited	Outstanding management services income	-	9,298	-	-
Valley Rail Partnership No.1 LLP	Outstanding management services income	78	-	-	-
Valley Rail Partnership No.2 LLP	Outstanding management services income	78	-	-	-
Wreay Solar Limited	Outstanding management services income	-	2,326	-	-
Sub-total		560,033	955,554	-	-

Notes to the consolidated financial statements for the year ended 31 December 2019

25 RELATED PARTY TRANSACTIONS (continued)

The table below summarises the aggregate debtor and investment balances by related party as at the balance sheet date with comparable data presented for the prior year; these balances are broken down further in this note.

Counter party	Debtor type	Debtor		Investments	
		2019	2018	2019	2018
		£	£	£	£
Equitix Fund I LP	Recharge of operating expenses	2,769	22,900	-	-
	Loans	-	-	2,017,015	2,015,345
	Fair value of EPS partnership	-	-	6,063,498	5,689,630
Equitix Fund II LP	Recharge of operating expenses	(4,565)	68,543	-	-
	Loans	-	-	6,530,045	6,186,337
	Fair value of EPS partnership	-	-	10,407,784	11,530,408
Equitix Fund III LP	Recharge of operating expenses	102,450	218,973	-	-
	Loans	-	-	7,203,001	7,444,821
	Fair value of EPS partnership	-	-	16,417,417	15,762,905
Equitix Fund IV LP	Recharge of operating expenses	377,121	95,677	-	-
	Loans	-	-	9,440,730	8,293,303
	Fair value of EPS partnership	-	-	20,124,136	19,005,057
Equitix Fund V LP	Recharge of operating expenses	89,196	198,355	-	-
	Loans	-	2,674,161	11,230,107	7,718,139
	Fair value of EPS partnership	-	-	-	-
Equitix MA Fund I LP	Loans	19,768	-	4,545,792	2,887,336
	Fair value of EPS partnership	-	-	14,820,134	13,103,784
	Recharge of operating expenses	-	(5,864)	-	-
Equitix MA Fund 6 LP	Recharge of operating expenses	2,302	943	-	-
	Fair value of EPS partnership	-	-	428,527	-
Equitix MA Fund 8 LP	Recharge of operating expenses	31,244	840	-	-
	Fair value of EPS partnership	-	-	1,217,118	-
Equitix MA Fund 10 LP	Recharge of operating expenses	41,111	-	-	-
	Fair value of EPS partnership	-	-	2,016,011	-
Equitix MA Fund 11 LP	Recharge of operating expenses	39,187	-	-	-
	Fair value of EPS partnership	-	-	5,763,779	-
Energy Savings Investments LP	Recharge of operating expenses	8,845	21,699	-	-
	Loans	-	-	878,737	980,063
Equitix Energy Efficiency Fund LP	Recharge of operating expenses	10,422	440	-	-
	Loans	-	-	1,310,496	1,258,896
Equitix MA Fund 2 LP	Recharge of operating expenses	1,406	216	-	-
Equitix MA Fund 3 LP	Recharge of operating expenses	2,566	(291)	-	-
Equitix MA Fund 4 LP	Recharge of operating expenses	8,387	3,347	-	-
Equitix MA Fund 5 LP	Recharge of operating expenses	80,027	-	-	-
Equitix MA Fund 7 LP	Recharge of operating expenses	15,954	9,652	-	-
Equitix MA Fund 9 LP	Recharge of operating expenses	25,866	-	-	-
Equitix MA Fund 12 LP	Recharge of operating expenses	3,282	-	-	-
Equitix MA Fund 13 LP	Recharge of operating expenses	1,750	-	-	-
Equitix MA Fund 15 LP	Recharge of operating expenses	446	-	-	-
Equitix MA Fund 16 LP	Recharge of operating expenses	109	-	-	-
Equitix MA Fund 17 LP	Recharge of operating expenses	131	-	-	-
Equitix MA North LP	Recharge of operating expenses	3,604	-	-	-
Equitix European Infrastructure I LP	Recharge of operating expenses	44,673	-	-	-
Equitix Fund VI LP	Recharge of operating expenses	17,535	-	-	-
Equitix Rakiza Fund	Recharge of operating expenses	34,727	-	-	-
Pace Topco Limited	Loan	1,129,108	16,420,099	-	-
	Sub-total	2,089,421	19,729,693	120,414,327	101,876,025
	TOTAL	52,450,937	57,856,653	120,414,327	101,876,025

26 POST BALANCE SHEET EVENT

During the period from the date of the Balance Sheet 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 Group 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. 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.

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
Fixed assets			
Investments	7	9,756,103	9,643,299
Current assets			
Debtors			
- due within one year	4	10,665	10,665
Cash at bank		-	-
		<u>10,665</u>	<u>10,665</u>
Current liabilities			
Creditors: amounts falling due within one year	5	<u>(194,312)</u>	<u>(81,508)</u>
Net current liabilities		<u>(183,647)</u>	<u>(70,843)</u>
Total assets less current liabilities		<u>9,572,456</u>	<u>9,572,456</u>
Net assets		<u>9,572,456</u>	<u>9,572,456</u>
Capital and reserves			
Called up share capital	6	1,113	1,113
Share premium account	6	9,561,916	9,561,916
Profit and loss account		9,427	9,427
Shareholders' funds		<u>9,572,456</u>	<u>9,572,456</u>

The notes on pages 37 to 44 form part of these financial statements.

The financial statements of Equitix Holdings Ltd, registered number 05972500, were approved by the Board of Directors and were signed on its behalf by:



J C Smith

Director

Date:

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital and share premium £	Retained earnings £	Total £
Balance as at 1 January 2018	9,563,029	9,427	9,572,456
Profit for the year	-	8,101,225	8,101,225
Payment of dividend (Note 2)	-	(8,101,225)	(8,101,225)
Balance as at 31 December 2018	9,563,029	9,427	9,572,456
Profit for the year	-	27,064,590	27,064,590
Payment of dividend (Note 2)	-	(27,064,590)	(27,064,590)
Balance as at 31 December 2019	9,563,029	9,427	9,572,456

The notes on pages 37 to 44 form part of these financial statements.

Notes to the Company financial statements for the year ended 31 December 2019

1 ACCOUNTING POLICIES

Equitix Holdings LTD (the "Company") is a private company limited by shares and is incorporated in the United Kingdom and registered in England and Wales. The address of its registered office is 3rd Floor, South Building, 200 Aldersgate Street, London, England EC1A 4HD.

a) Basis of accounting

The Company financial statements have been prepared under the historical cost convention and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and Companies Act 2006. The Directors have applied FRS 102 in preparation of the Company financial statements. A summary of the principal accounting policies adopted by the Directors, which have been applied consistently are shown below.

The Company is a Qualifying Entity (as defined in the glossary of FRS 102). A Qualifying Entity, for the purposes of FRS 102, is a member of a group where the group prepares publicly available consolidated financial statements which are intended to give a true and fair view and that member is included in the consolidation. The Company's results are included within the consolidated financial statements of the consolidated statements of Equitix Holdings Ltd, accordingly the Company has elected not to prepare a cash flow statement.

b) Investments

Fixed asset investments in subsidiaries and associates are shown at cost less provision for impairment.

2 PROFIT FOR THE YEAR

In accordance with section 408 of the Companies Act 2006, no separate profit and loss account has been prepared for the Company. For the year ended 31 December 2019 the Company received dividends of £27,064,590 from underlying subsidiary companies (2018 - £8,101,225). The Directors declared and paid interim dividends totalling £27,064,590 (2018 - £8,101,225).

The auditors' remuneration for audit and other services is disclosed in Note 6 to the consolidated financial statements.

3 STAFF NUMBERS

The Company had no employees during the current year (2018 - none). The directors were remunerated by subsidiaries and the costs were not recharged.

4 DEBTORS

	2019	2018
	£	£
<u>Due within one year:</u>		
Amounts owed by group undertakings (Note 8)	<u>10,665</u>	<u>10,665</u>

5 CREDITORS

	2019	2018
	£	£
<u>Due within one year:</u>		
Amounts owed to group undertakings	<u>194,312</u>	<u>81,508</u>

Amounts owed to group undertakings are repayable on demand, non-interest bearing and unsecured.

6 CALLED UP SHARE CAPITAL AND SHARE PREMIUM

	2019	2018
	£	£
Allotted, called up and fully paid:		
100,000 (2018: 100,000) "A" class ordinary shares at £0.005 each	500	500
100,000 (2018: 100,000) "B" class ordinary shares at £0.005 each	500	500
22,500 (2018: 22,500) "C" class ordinary shares at £0.005 each	113	113
	<u>1,113</u>	<u>1,113</u>

The company has three classes of ordinary share as outlined above, none of which carry any right to fixed income.

Notes to the Company financial statements for the year ended 31 December 2019

7 SUBSIDIARIES, JOINT VENTURE AND INVESTMENTS

The list of subsidiaries and other related entities is as follows:

Company name	Class and percentage of shares held		Principal activity	Country of incorporation
Equitix Limited	100%	2 ordinary £1 shares	Bid and development of primary and secondary market PFI opportunities.	United Kingdom
Equitix Finance Limited	100%	2 A ordinary £1 shares; 9,561,916 B Ordinary £1 shares	Financing company of Equitix Group.	United Kingdom
Equitix GP 1 Limited	100%	10,000 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix Fund I LP, a UK limited partnership.	Guernsey
Equitix Investment Management Limited	100%	10,000 ordinary £1 shares	FCA regulated entity serving as administrative body of Equitix Group.	United Kingdom
Equitix No 1 Limited	100%	100 ordinary £1 shares	Investee company and partner in Equitix Fund I LP.	United Kingdom
Equitix Management Services Limited	100%	2 ordinary £1 shares	Management services administration provider.	United Kingdom
Equitix Management Services Community Ventures JV	50%	1 ordinary £1 shares	Management services administration provider.	United Kingdom
Equitix Management Services Investment Limited	90%	1000 ordinary £1 shares	Holding company of Equitix Management Services Limited	United Kingdom
Equitix GP 2 Limited	100%	10,000 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix Fund II LP, a UK limited partnership.	Guernsey
Equitix No 2 Limited	100%	100 ordinary £1 shares	Investee company and partner in Equitix Fund II LP.	United Kingdom
Equitix EPS GP Limited	100%	2 ordinary £1 shares	General Partner to Equitix EPS LP, a UK limited partnership	United Kingdom
Equitix Energy Efficient EPS GP 1 Limited	100%	1 ordinary £1 shares	General Partner to Equitix Energy Efficient EPS LP, a UK limited partnership	United Kingdom
Equitix Energy Efficient GP 1 Limited	100%	1 ordinary £1 shares	General Partner to Energy Saving Investments LP, a UK limited partnership	United Kingdom
Equitix GP 3 Limited	100%	10,000 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix Fund III LP, a UK limited partnership.	Guernsey
Equitix No 3 Limited	100%	100 ordinary £1 shares	Investee company and partner in Equitix Fund III LP.	United Kingdom
Equitix EPS GP3 Limited	100%	2 ordinary £1 shares	General Partner to Equitix EPS 3 LP, a UK limited partnership	United Kingdom
Equitix Energy Efficiency GP 1 Limited	100%	10,000 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix Energy Efficiency Fund LP, a UK limited partnership.	Guernsey

Subsidiaries incorporated in the United Kingdom are registered at the same address as the Company, as disclosed on page 1 of these financial statements.

All subsidiaries incorporated in Guernsey have a registered address of Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB.

Notes to the Company financial statements for the year ended 31 December 2019

7 SUBSIDIARIES, JOINT VENTURE AND INVESTMENTS (continued)

Company name	Class and percentage of shares held		Principal activity	Country of incorporation
Equitix Energy Efficiency No 1 Limited	100%	100 ordinary £1 shares	Investee company and partner in Equitix Energy Efficiency Fund LP.	United Kingdom
Equitix Energy Efficiency EPS GP 1 Limited	100%	1 ordinary £1 share	Investee company and partner in Equitix Energy Efficiency EPS LP.	United Kingdom
Equitix EPS LP	75%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix EPS 3 LP	75%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix Energy Efficient EPS LP	50%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix Energy Efficiency EPS LP	50%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA GP 1 Limited	100%	10,000 ordinary £1 shares	General Partner to Equitix MA 1 LP, a UK limited partnership	United Kingdom
Equitix MA No 1 Limited	100%	100 ordinary £1 shares	Investee company and partner in Equitix MA Fund I LP.	United Kingdom
Equitix MA EPS GP 1 Limited	100%	2 ordinary £1 share	Investee company and partner in Equitix MA Fund I LP.	United Kingdom
Equitix GP 4 Limited	100%	10,000 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix Fund IV LP, a UK limited partnership.	Guernsey
Equitix No 4 Limited	100%	100 ordinary £1 shares	Investee company and partner in Equitix Fund IV LP.	United Kingdom
Equitix EPS GP 4 Limited	100%	1 ordinary £1 share	General Partner to Equitix EPS 4 LP, a UK limited partnership	United Kingdom
Equitix EPS 4 LP	70%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA I EPS LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA GP2 Limited	100%	1 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA2 LP, Equitix M25 Access LP and Equitix MA6 LP, all UK limited partnerships.	Guernsey

All subsidiaries incorporated in the United Kingdom are registered at the same address as the Company, as disclosed on page 1 of these financial statements.

All subsidiaries incorporated in Guernsey have a registered address of Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB

All Limited Partnerships incorporated in Scotland have a registered address of Citypoint, 65 Haymarket Terrace, Edinburgh, EH12 5HD.

Equitix North America Inc has a registered address of Suite 26000, Three Bentall Centre, 595 Burrard Street, P.O. Box 49314, Vancouver, BC, V7X 1L3, Canada.

Notes to the Company financial statements for the year ended 31 December 2019

7 SUBSIDIARIES, JOINT VENTURE AND INVESTMENTS (continued)

Company name	Class and percentage of shares held		Principal activity	Country of incorporation
Equitix MA EPS GP2 Limited	100%	1 ordinary £1 share	General Partner to Equitix EPS2 LP, a UK limited partnership	United Kingdom
Equitix MA EPS 2 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix Management Services Srl	100%	10,000 ordinary €1 shares	Management services administration provider.	Italy
Equitix Founder Partner Ltd	100%	1 ordinary £1 share	Seed investor and partner of future Equitix funds.	United Kingdom
Equitix MA GP 4 Ltd	100%	1 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA4 LP and Equitix MA4 Japan LP, both UK limited partnerships.	Guernsey
Equitix MA GP 5 Limited	100%	100 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA 5 LP, a UK limited partnership.	Guernsey
Equitix No 5 Limited	100%	100 ordinary £1 shares	Investee company and partner in Equitix MA 5 LP.	United Kingdom
Equitix MA EPS GP 5 Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS 5 LP, a UK limited partnership.	Scotland
Equitix MA GP 8 Limited	100%	10,000 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA 8 LP, a UK limited partnership.	Guernsey
Equitix MA GP 7 Limited	100%	100 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA 7 LP, a UK limited partnership.	Guernsey
Equitix MA EPS GP 8 Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS 8 LP, a UK limited partnership.	Scotland

All subsidiaries incorporated in the United Kingdom are registered at the same address as the Company, as disclosed on page 1 of these financial statements.

All subsidiaries incorporated in Guernsey have a registered address of Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB

All Limited Partnerships incorporated in Scotland have a registered address of Citypoint, 65 Haymarket Terrace, Edinburgh, EH12 5HD.

All subsidiaries incorporated in Italy have a registered address of Via Ospedale, 18, 31033, Castelfranco Veneto, Treviso.

Notes to the Company financial statements for the year ended 31 December 2019

7 SUBSIDIARIES, JOINT VENTURE AND INVESTMENTS (continued)

Company name	Class and percentage of shares held		Principal activity	Country of Incorporation
Equitix MA GP 9 Limited	100%	100 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA 9 LP, a UK limited partnership.	Guernsey
Equitix MA EPS GP 9 Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS 9 LP, a UK limited partnership.	Scotland
Equitix MA GP 10 Limited	100%	100 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA 10 LP, a UK limited partnership.	Guernsey
Equitix Korea Co	100%	15,000 ordinary KRW 100 shares	Investment developer of the Equitix Group	Korea
Equitix Germany GMBH	100%	25,000 ordinary €1 shares	Investment management operator of the Equitix Group	Germany
Equitix GP 5 Limited	100%	10,000 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix Fund V LP, a UK limited partnership.	Guernsey
Equitix GP 5 (Greenfield) Limited	100%	10,000 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix Fund V LP, a UK limited partnership.	Guernsey
Equitix EPS GP 5 Limited	100%	1 ordinary £1 share	General Partner to Equitix EPS 5 LP, a UK limited partnership	United Kingdom
Equitix EPS 5 LP	75%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA EPS GP 6 Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS 6 LP, a UK limited partnership.	Scotland
Equitix MA EPS 6 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA EPS 8 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA EPS 9 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland

All subsidiaries incorporated in the United Kingdom are registered at the same address as the Company, as disclosed on page 1 of these financial statements.

All subsidiaries incorporated in Guernsey have a registered address of Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB

All Limited Partnerships incorporated in Scotland have a registered address of Citypoint, 65 Haymarket Terrace, Edinburgh, EH12 5HD.

All subsidiaries incorporated in Korea have a registered address of Unit 49, Level 21, Seoul Finance Centre, 136 Sejong-daero, Jung-gu, Seoul Korea 04520

All subsidiaries incorporated in Germany have a registered address of Luther Rechtsanwaltsgesellschaft mbH, An der Welle 10, 60322 Frankfurt am Main

Notes to the Company financial statements for the year ended 31 December 2019

7 SUBSIDIARIES, JOINT VENTURE AND INVESTMENTS (continued)

Company name	Class and percentage of shares held		Principal activity	Country of incorporation
Equitix European Infrastructure 1 GP Sarl	100%	12,000 ordinary €1 shares	General Partner to Equitix European Infrastructure I SCSp, a Luxembourg special limited partnership	Luxembourg
Rakiza GP 1 Ltd	100%	10,000 ordinary \$1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix Rakiza Fund LP, a UK limited partnership.	Guernsey
Equitix European Infrastructure I EPS LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix European Infrastructure I EPS GP Ltd	100%	1 ordinary £1 shares	General partner to Equitix European Infrastructure LP, a UK limited partnership.	Scotland
Equitix No 6 Ltd	100%	100 ordinary £1 shares	Investee company and partner in Equitix Fund VI LP.	United Kingdom
Equitix EPS 6 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix EPS GP 6 Ltd	100%	1 ordinary £1 share	General Partner to Equitix EPS 6 LP, a UK limited partnership	United Kingdom
Equitix GP 6 Ltd	100%	10,000 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix Fund VI LP, a UK limited partnership.	Guernsey
Equitix GP 6 (Greenfield) Ltd	100%	10,000 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix Fund VI LP, a UK limited partnership.	Guernsey
Equitix RF1 Ltd	100%	100 ordinary £1 shares	Investee company and partner in Equitix Rakiza Fund LP.	United Kingdom
Equitix RF EPS LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix RF EPS GP Ltd	100%	1 ordinary £1 shares	General partner to Equitix RF EPS LP, a UK limited partnership.	Scotland
Equitix MA EPS 10 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA EPS GP 10 Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS 10 LP, a UK limited partnership.	Scotland
Equitix MA GP 11 Ltd	100%	10,000 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA 11 LP, a UK limited partnership.	Guernsey
Equitix MA EPS 11 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA EPS GP 11 Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS 11 LP, a UK limited partnership.	Scotland
Equitix MA GP 12 Ltd	100%	100 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA 12 LP, a UK limited partnership.	Guernsey
Equitix MA EPS 12 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA EPS GP 12 Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS 12 LP, a UK limited partnership.	Scotland
Equitix MA GP 13 Ltd	100%	10,000 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA 13 LP, a UK limited partnership.	Guernsey
Equitix MA EPS 13 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland

All subsidiaries incorporated in Guernsey have a registered address of Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB.

All Limited Partnerships incorporated in Scotland have a registered address of Citypoint, 65 Haymarket Terrace, Edinburgh, EH12 5HD.

All subsidiaries incorporated in Luxembourg have a registered address of Vertigo Naos Building, 6, rue Eugene Ruppert, L-2453 Luxembourg.

Notes to the Company financial statements for the year ended 31 December 2019

7 SUBSIDIARIES, JOINT VENTURE AND INVESTMENTS (continued)

Company name	Class and percentage of shares held		Principal activity	Country of incorporation
Equitix MA EPS GP 13 Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS 13 LP, a UK limited partnership.	Scotland
Equitix MA GP 14 Ltd	100%	100 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA 14 LP, a UK limited partnership.	Guernsey
Equitix MA EPS 14 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA EPS GP 14 Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS 14 LP, a UK limited partnership.	Scotland
Equitix MA GP 15 Ltd	100%	100 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA 15 LP, a UK limited partnership.	Guernsey
Equitix MA EPS 15 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA EPS GP 15 Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS 15 LP, a UK limited partnership.	Scotland
Equitix MA GP 16 Ltd	100%	100 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA 16 LP, a UK limited partnership.	Guernsey
Equitix MA EPS 16 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA EPS GP 16 Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS 16 LP, a UK limited partnership.	Scotland
Equitix MA GP 17 Ltd	100%	100 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA 17 LP, a UK limited partnership.	Guernsey
Equitix MA EPS 17 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA EPS GP 17 Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS 17 LP, a UK limited partnership.	Scotland
Equitix MA EPS North LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA GP North Ltd	100%	100 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA North LP, a UK limited partnership.	Guernsey
Equitix MA EPS GP North Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS North LP, a UK limited partnership.	Scotland
Equitix MA GP 18 Ltd	100%	100 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA 18 LP, a UK limited partnership.	Guernsey
Equitix MA EPS 18 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA EPS GP 18 Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS 18 LP, a UK limited partnership.	Scotland
Equitix MA GP 19 Ltd	100%	100 ordinary £1 shares	Guernsey Financial Services Commission authorised and regulated entity; general partner to Equitix MA 19 LP, a UK limited partnership.	Guernsey
Equitix MA EPS 19 LP	67%	Capital commitment and loan commitments	Scottish limited partnership, unregulated collective investment scheme.	Scotland
Equitix MA EPS GP 19 Ltd	100%	1 ordinary £1 shares	General partner to Equitix MA EPS 19 LP, a UK limited partnership.	Scotland

All subsidiaries incorporated in the United Kingdom are registered at the same address as the Company, as disclosed on page 1 of these financial statements.

All subsidiaries incorporated in Guernsey have a registered address of Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB.

All Limited Partnerships incorporated in Scotland have a registered address of Citypoint, 65 Haymarket Terrace, Edinburgh, EH12 5HD.

Notes to the Company financial statements for the year ended 31 December 2019

8 TRANSACTIONS WITH RELATED PARTIES

The debtor and creditor balances relate to transactions with group companies. There is no interest charged on any outstanding amounts and balances can be redeemed on demand by either party.

9 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is Pace Bidco Limited, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the accounts of Pace Bidco Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The Company's ultimate parent, and the smallest and largest group in which its results are consolidated is Pace Topco Limited, a company incorporated in the United Kingdom and registered in England and Wales. Copies of the consolidated accounts of Pace Topco Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

10 POST BALANCE SHEET EVENT

During the period from the date of the Balance Sheet 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 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. 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.