

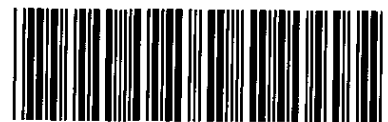


3i Infrastructure Seed Assets GP Ltd

Annual report and accounts for the year to 31 March 2017

Registered number: 6030764

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Directors' report

The Directors submit their report on 3i Infrastructure Seed Assets GP Ltd ("the Company") with the financial statements for the year to 31 March 2017.

Background and general information

The Company was established on 18 December 2006 and is domiciled in England as a company under the Companies Act 2006. The registered office of the Company is 4th Floor, 40 Dukes Place, London, England, EC3A 7NH. The Company's parent is 3i Infrastructure plc. 3i Infrastructure plc and its subsidiaries are considered to be "the Group".

Principal activity

The principal activity of the Company is to act as the General Partner of 3i Infrastructure Seed Assets LP ("the Partnership"), an entity that acts as a holding vehicle for investments in infrastructure assets.

Development

There have been no changes in the activity of the Company in the year and the Directors do not foresee any future changes.

Principal risks and uncertainties

The Company's financial risk management objectives and policies are discussed in note 11 to the financial statements.

Results and dividends

The Company receives a fixed annual profit share of £15,000 from the Partnership. The total comprehensive income for the year after tax amounted to a loss of £262 (2016: loss of £1,700). The Directors do not recommend the payment of a dividend for the year (2016: £nil).

Events after the Statement of financial position date

There have been no significant events since the Statement of financial position date.

Directors

The following served as Directors throughout the year and to the date of this report except where otherwise indicated:

Capita Trust Corporate Limited
Capita Trust Corporate Services Limited
C S Baldry (resigned 11 May 2017)
J P Dawes (appointed 11 May 2017)

Directors' report

Going concern

The Company has net liabilities and does not have its own bank account. Therefore, the Company is dependent on continuing financial support being made available from 3i Infrastructure plc, the Company's ultimate parent company, to settle the Company's financial liabilities as they fall due for payment. 3i Infrastructure plc has provided the Company with assurance that it will provide unlimited financial support to the Company in the event that the Company is unable to meet its liabilities from its own financial resources. In addition, 3i Infrastructure plc has undertaken that it will not demand repayment of any liabilities owed by the Company to either 3i Infrastructure plc or any of the other entities in the Group for the foreseeable future. As a result, the Company's Directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future and the financial statements of the Company have been prepared on the going concern basis.

Exemption from presenting a Strategic Report

The Directors have taken the exemption available under Section 414B of the Companies Act in not presenting a Strategic Report.

Disclosure of information to the auditor

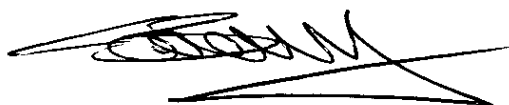
Pursuant to s418(2) of the Companies Act 2006, each of the Directors confirms that: (a) so far as they are aware, there is no relevant audit information of which the auditors are unaware; and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of such information.

Auditor

Ernst and Young LLP have announced their intention to resign as auditor of the Company.

Deloitte LLP have been recommended for appointment as auditor to the Group for the year ended 31 March 2018 and the Directors propose to appoint Deloitte LLP as the auditors of the Company following the date of these financial statements.

By Order of the Board



Carl Baldry

Director

Registered Office:
4th Floor 40 Dukes Place
London
England EC3A 7NH

For and on behalf of
Capita Trust Corporate Limited
(Director)

Date: 24/07/2014

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and accounts in accordance with applicable United Kingdom law and those International Financial Reporting Standards ("IFRSs") that have been adopted by the European Union ("EU").

Under Company Law the Directors must not approve financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Company for that period. In preparing financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs as adopted by the EU is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state that the Company has complied with IFRSs as adopted by the EU, subject to any material departures disclosed and explained in the financial statements; and
- make judgements and estimates that are reasonable.

The Directors have a responsibility for ensuring that proper accounting records are kept which are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that financial statements comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Auditor's report

Independent auditor's report to the members of 3i Infrastructure Seed Assets GP Ltd

We have audited the financial statements of 3i Infrastructure Seed Assets GP Ltd (the "Company") for the year ended 31 March 2017 which comprise the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position, the Accounting policies A to K and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report to the members of 3i Infrastructure Seed Assets GP Ltd (continued)

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the course of the audit:

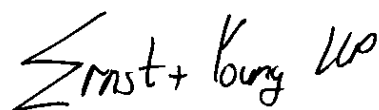
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Neil Parker (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

28th July 2017

Statement of comprehensive income

for the year to 31 March 2017

| | Notes | 2017 £ | 2016 £ |
|---|-------|--------------|----------------|
| Revenue | 1 | 15,000 | 15,000 |
| Operating expenses | 2 | (15,262) | (16,700) |
| Operating Loss | | (262) | (1,700) |
| Loss before tax | | (262) | (1,700) |
| Income taxes | 4 | - | - |
| Loss for the year | | (262) | (1,700) |
| Loss and total comprehensive income for the year | | (262) | (1,700) |

All items in the above statement are derived from continuing operations.

Statement of changes in equity

for the year to 31 March 2017

| | Notes | Issued capital £ | Retained earnings £ | Total equity £ |
|--------------------------------------|-------|---------------------|------------------------|-------------------|
| Balance at 1 April 2015 | | 1 | (16,069) | (16,068) |
| Loss for the year | | - | (1,700) | (1,700) |
| Total equity at 31 March 2016 | | 1 | (17,769) | (17,768) |
| Balance at 1 April 2016 | | 1 | (17,769) | (17,768) |
| Loss for the year | | - | (262) | (262) |
| Total equity at 31 March 2017 | | 1 | (18,031) | (18,030) |

The notes on pages 11 to 15 form an integral part of these financial statements.

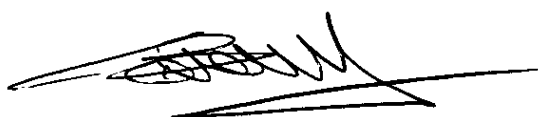
Statement of financial position

as at 31 March 2017

| | Notes | 2017 £ | 2016 £ |
|---------------------------------|-------|-----------------|-----------------|
| Assets | | | |
| Non-current assets | | | |
| Investments | 5 | 1 | 1 |
| Receivables | 6 | - | 15,000 |
| Total non-current assets | | 1 | 15,001 |
| Total assets | | 1 | 15,001 |
| Liabilities | | | |
| Current liabilities | | | |
| Payables | 7 | (18,031) | (32,769) |
| Total liabilities | | (18,031) | (32,769) |
| Net liabilities | | (18,030) | (17,768) |
| Equity | | | |
| Issued capital | 8 | 1 | 1 |
| Retained earnings | | (18,031) | (17,769) |
| Total equity | | (18,030) | (17,768) |

The notes on pages 11 to 15 form an integral part of these financial statements.

The financial statements have been approved and authorised for issue by the Board of Directors.


Carl Baldry

Director

24 July 2017

For and on behalf of
Capita Trust Corporate Limited
 (Director)

Accounting policies

A Statement of compliance These financial statements have been prepared in accordance with IFRS, issued by the International Accounting Standards Board ("IASB") as adopted for use in the EU, and in accordance and compliance with the Companies Act 2006.

The following standards, amendments and interpretations have been issued with implementation dates, subject to EU endorsement in some cases, which do not impact on these financial statements:

| International Accounting Standards | | Effective for periods beginning on or after |
|------------------------------------|---|---|
| IAS 7 | Disclosure initiative (amendments to IAS 7 – Statement of Cash Flows) | 1 January 2017 |
| IFRS 9 | Financial Instruments: Classification and Measurement | 1 January 2018 |
| IFRS 15 | Revenue from contracts with customers | 1 January 2018 |
| IFRS 16 | Leases | 1 January 2019 |

The impact of future standards and amendments on the financial statements is being assessed by the Company. The Company does not anticipate that the above standards will have a material impact on its results.

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

B Basis of preparation These financial statements have been prepared on a going concern basis in accordance with and in compliance with the Companies Act 2006. The financial statements are presented in sterling, the functional currency of the Company, being the currency in which it operates and generates revenue and incurs expenses.

The Company is exempt from the requirements of s400 and s402 of the Companies Act 2006 to produce consolidated accounts as it is a subsidiary undertaking of 3i Infrastructure plc, a company incorporated in Jersey that has published consolidated accounts in which the results of the Company are included.

The Company acts as a general partner to 3i Infrastructure Seed Assets LP. The Partnership is not treated as a subsidiary undertaking of the Company as the rights of the Company are exercised on behalf of the other investors in the Partnership and, being fiduciary in nature, these rights can be disregarded when determining whether a parent-subsidary relationship exists.

Accounting policies

C Significant accounting estimates and judgements The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The most significant techniques for judgements and estimates are described in the accounting policies D to K.

D Investments Investments are carried in the statement of financial position at cost less impairment to the extent that the fair value cannot be reliably measured.

E Revenue recognition Revenue is recognised on an accruals basis and represents the Company's priority profit share entitlement due from the Partnership. The priority profit share is allocated to the Company from the net income or realised capital profits of the Partnership. In the event that the Partnership has insufficient net income or realised capital profits to allocate to the Company in respect of a particular accounting period, the profit share entitlement is distributed to the Company in the form of an interest free loan. The terms of this distribution are such that the Company is not required to repay the amount distributed by the Partnership in future periods, with the loan made by the Company being settled via the allocation of future profits from the Partnership. As a result, all distributions of priority profit share made from the Partnership are treated as income in the financial statements of the Company, irrespective of the existence of net income or realised capital profits arising from the Partnership.

F Operating expenses Operating expenses are charged to the Statement of comprehensive income on an accruals basis.

G Financial instruments Financial instruments are made up of payables, receivables and cash and cash equivalents. The Directors consider that the fair value of payables and receivables approximate their carrying value. The Directors do not believe that the Company is exposed to significant credit risk, liquidity risk or market rate risk and has not taken any specific actions to mitigate these financial risks. There are no other financial instruments.

H Receivables Assets, other than those specifically accounted for under a separate policy are stated at carrying value. They are reviewed at each Statement of financial position date to determine whether there is any indication of impairment. If any such indications exists, the asset's recoverable amount is estimated based on expected discounted future cash flows. Any change in the level of impairment is recognised directly in the Statement of comprehensive income.

I Payables Liabilities, other than those specifically accounted for under a separate policy, are stated at fair value based on the amounts which are considered to be payable in respect of goods or services received up to the Statement of financial position date.

Accounting policies

J Income taxes Income taxes represent the sum of the tax currently payable, and deferred tax. Tax is charged or credited in the Statement of comprehensive income, except where it relates to items charged or credited directly to equity, in which case the tax is also dealt with in equity.

The tax currently payable is based on the taxable profit for the year. This may differ from the profit included in the Statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantially enacted by the Statement of financial position 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 ('temporary differences'), and is accounted for using the Statement of financial position liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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 using tax rates and laws that have been enacted or substantively enacted by the Statement of financial position date.

K Dividends Dividends are recognised through equity in the period in which they are declared.

Notes to financial statements

1 Revenue

| | 2017 £ | 2016 £ |
|-----------------------|-----------|-----------|
| Priority profit share | 15,000 | 15,000 |
| | 15,000 | 15,000 |

All revenue is derived in the United Kingdom from the Company's principal activity.

2 Operating expenses

| | 2017 £ | 2016 £ |
|-----------------------------|-----------|-----------|
| Auditor's remuneration | 8,000 | 8,000 |
| Other professional expenses | 7,262 | 8,700 |
| | 15,262 | 16,700 |

The auditor's remuneration for the year of £8,000 (2016: £8,000) was paid by 3i Infrastructure plc, the ultimate parent undertaking of the Company, and was re-charged to the Company. The Company did not incur any non-audit fees (2016: £nil) in respect of services provided by the Company's auditor.

3 Directors' emoluments

None of the Directors received any emoluments in respect of their services to the Company for the year to 31 March 2017 (2016: £nil).

The corporate Directors of the Company are affiliates of Capita Trust Corporate Services Limited which provide ongoing administrative services to the Company at commercial rates. The services provided by each of the Directors are considered to be a component of the overall administration fee payable to the affiliates of Capita Trust Corporate Limited and cannot be separately identified.

The non-corporate Director of the Company is an employee of 3i plc, an affiliate of the Company and receives remuneration from 3i plc. The Director does not believe that it is practicable to apportion this remuneration between his services as Director of the Company and his other services, however the Director's services to the Company do not occupy a significant amount of his time.

Costs relating to the administration of the Company were borne by 3i Infrastructure plc on behalf of the Company and were re-charged to the Company.

Notes to financial statements

4 Income taxes

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Current tax | | |
| UK corporation tax | - | - |
| Deferred taxes | | |
| Origination and reversal of temporary differences | - | - |
| Adjustment for prior years | - | - |
| Total income taxes in the Statement of comprehensive income | - | - |

There are no taxes in the Statement of comprehensive income (2016: £nil).

Reconciliation of total income taxes in the Statement of comprehensive income

The tax for the year is different to the standard rate of corporation tax in the UK, currently 20% (2016: 20%), and the differences are explained below:

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Loss before tax | (262) | (1,700) |
| Loss before tax multiplied by rate of corporation tax in the UK of 20% (2016: 20%) | (52) | (340) |
| Effects of: | | |
| Non-taxable income | (3,000) | (3,000) |
| Unutilised tax losses carried forward | 3,052 | 3,340 |
| Total income taxes in the Statement of comprehensive income | - | - |

At 31 March 2017 the Company had unutilised tax losses of £138,032 (2016: £122,770) on which deferred tax asset is not recognised. It is considered uncertain that there will be sufficient profits in the future against which the associated deferred tax asset can be offset and therefore the asset has not been recognised.

The UK Government announced as part of the Finance (No 2) Act 2015, which received Royal Assent on 18 November 2015, that the main rate of corporation tax rate would be reduced from 20% to 19% from 1 April 2017. As part of the Finance Act 2016, a further reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016 and received Royal Assent on 15 September 2016. This will affect the rate at which future UK tax will be payable and the rate at which deferred tax assets are expected to reverse.

Notes to financial statements

5 Investments

| | 2017 | 2016 |
|---|-------------|-------------|
| | £ | £ |
| Balance at 1 April 2016 and 31 March 2017 | 1 | 1 |
| | 1 | 1 |

The investment balance represents an investment in 3i Infrastructure Seed Assets LP, an English Limited Partnership. The Company holds an interest of 1% in the capital of the Limited Partnership (2016: 1%).

6 Receivables

| | 2017 | 2016 |
|---------------------------------|-------------|-------------|
| | £ | £ |
| Amounts owed by related parties | - | 15,000 |
| | - | 15,000 |

7 Payables

| | 2017 | 2016 |
|---------------------------------|-------------|-------------|
| | £ | £ |
| Amounts owed to related parties | 18,031 | 32,769 |
| | 18,031 | 32,769 |

8 Issued capital

| | Authorised number of shares | Amount £ |
|---|--|---------------------|
| Allotted and called up ordinary shares of £1 each | 1 | 1 |
| At 31 March 2017 and 31 March 2016 | 1 | 1 |

Notes to financial statements

9 Parent undertaking and controlling party

The Company's immediate and ultimate parent undertaking and controlling party is 3i Infrastructure plc which is incorporated and registered in Jersey, Channel Islands. Copies of its consolidated financial statements, which include the Company, are available from 12 Castle Street, St Helier, Jersey, JE2 3RT.

10 Related parties

During the year the Company entered into transactions, in the ordinary course of business, with related parties. There were no transactions with Directors of the Company and there are no other key management personnel.

Income from Limited Partnership

The Partnership is a related party, being the entity for which the Company acts as General Partner. Total revenue in the form of priority profit share from the Partnership, including the amount of accrued fees receivable at the end of the year, is detailed below:

| | 2017 | | 2016 | |
|----------------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|
| | Priority Profit Share £ | Accrued at end of year £ | Priority Profit Share £ | Accrued at end of year £ |
| 3i Infrastructure Seed Assets LP | 15,000 | - | 15,000 | 15,000 |
| | 15,000 | - | 15,000 | 15,000 |

Transactions with parent company

Administrative expenses

The total amount owed to the parent company in respect of administrative expenses paid on behalf of the Company is shown below:

| | 2017 | | 2016 | |
|-----------------------|---|-----------------------------|---|-----------------------------|
| | Administrative expenses for the year £ | Accrued at end of year £ | Administrative expenses for the year £ | Accrued at end of year £ |
| 3i Infrastructure plc | 15,262 | 18,031 | 16,700 | 32,769 |
| | 15,262 | 18,031 | 16,700 | 32,769 |

Notes to financial statements

11 Financial risk management

The Company is a subsidiary of 3i Infrastructure plc. 3i Infrastructure plc sets objectives, policies and processes for managing and monitoring risk as set out in the Directors' report in the 3i Infrastructure plc annual report. This note provides further information on the specific risks faced by the Company.

Capital management

The capital structure of the Company consists of equity and intercompany loans which are due on demand. The Company is free to transfer capital to the parent company subject to maintaining sufficient reserves to meet statutory obligations. No significant constraints have been identified in the past and the Company has been able to distribute profits in a tax-efficient manner.

Credit risk

The Directors do not believe that there is significant credit risk as amounts owed by the Company's debtors are due from related parties as set out in note 10 and are repayable on demand.

Liquidity risk

Liquidity risk is managed at the Group level as discussed in the Directors' report in the 3i Infrastructure plc annual report and all of the Company's trade and other payables are repayable within one year.

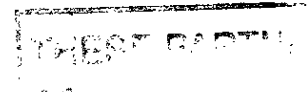
Market risk

The Directors do not believe that there is significant market risk as the Company does not hold fixed or floating rate loans or liabilities (other than intercompany loans) or investments which are exposed to market fluctuations. The Company also does not have any assets or liabilities that are denominated in foreign currencies.



3i Infrastructure Seed Assets LP

Annual report and accounts
for the year to 31 March 2017



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Strategic report

Overview

3i Infrastructure Seed Assets LP ("the Partnership") was established on 14 February 2007. 3i Investments plc ("the Manager") submits the Strategic Report together with the financial statements of the Partnership for the year to 31 March 2017. The Partnership is incorporated and registered in England. The Partnership's ultimate parent is 3i Infrastructure plc. 3i Infrastructure plc and its subsidiaries are considered to be "the Group".

Activities and future prospects

The principal activity of the Partnership is to acquire, hold and dispose of investments. The Partnership is a direct investor in infrastructure assets and holds equity and debt investments in Octagon Healthcare Limited ("Octagon"), a concession company under a PFI contract to build, operate and maintain the Norfolk and Norwich University Hospital. It carries out all functions and acts in connection therewith.

The Partnership continues to be a direct investor in infrastructure assets and the Manager does not foresee any future changes.

Business review

The total comprehensive income of the Partnership for the year amounted to £6,438,329 (2016: £2,933,538). This balance includes an amount available for allocation among Limited Partners of £2,805,327 (2016: £3,191,538) which has been allocated to the Partners' profit accounts. This profit is driven by stable dividend and interest income from Octagon and an unrealised profit on revaluation of investments of £3,633,002 (2016: loss of £258,000).

A summary of the movements in value of the Partnership's investments in Octagon Healthcare Limited is given in note 3 to the financial statements.

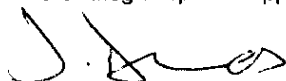
Key performance indicators

The Directors of 3i Infrastructure plc manage the operations of the Group on a consolidated basis. The Manager believes that an analysis of the Partnership's results using key performance indicators is neither relevant nor appropriate to the management of the business. The development, performance and position of the Group is disclosed in the financial statements of 3i Infrastructure plc. The net asset value movement of the Partnership is monitored by the Manager on a quarterly basis.

Principal risks and uncertainties

A description of the principal financial risks and uncertainties facing the Partnership and the Partnership's financial risk management policies are set out in note 12 to the accounts. From the perspective of the Partnership, the principal operational risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The principal operational risks and uncertainties of the Group, which include those of the Partnership, are set out in the consolidated financial statements of 3i Infrastructure plc.

This Strategic report is approved by the Authorised Signatory for and on behalf of 3i Investments plc.



Authorised Signatory

Date: 28/7/17

Registered Office:
16 Palace Street
London SW1E 5JD

Manager's report

Manager

The General Partner of the Partnership, 3i Infrastructure Seed Assets GP Limited, has delegated the responsibility for the administration of the Partnership to the Manager. The Manager has responsibility for the operations and administration of the Partnership and for managing its investment portfolio.

Taxation

As a Limited Partnership, the taxation payable on the profits of the Partnership is the liability of the partners and accordingly no charge for taxation appears in the financial statements of the Partnership.

Partners' interests

A summary of movements in Partners' accounts, including distributions made to Partners during the year, is given in note 6 to the financial statements.

Statement of Manager's responsibilities

The Manager is responsible for preparing the financial statements in accordance with applicable law and regulations and the Partnership Agreement of the Partnership.

The Companies Act 2006, as applied by the Partnerships (Accounts) Regulations 2008, requires the Manager to prepare financial statements for each financial year. Under that law the Manager has elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

Under the Companies Act 2006, as applied by the Partnerships (Accounts) Regulations 2008, the Manager must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Partnership and of the total profit or loss of the Partnership for that period.

In preparing these financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable;
- state whether applicable International Financial Reporting Standards as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The Manager is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applied by the Partnerships (Accounts) Regulations 2008. The Manager is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Manager's report (continued)

Going concern

The Manager has assessed the net asset position of the Partnership and has concluded that it has sufficient liquid resources to meet its liabilities for the foreseeable future. The Partnership is generating recurring portfolio income from its underlying portfolio and it is expected that this will exceed future administrative expenses which are recurring and predictable in nature. For this reason, it continues to adopt the going concern basis for preparing the financial statements.

Disclosure of information to auditors

Pursuant to s418(2) of the Companies Act 2006 as applied by the Partnerships (Accounts) Regulations 2008, each of the Directors confirms that: (a) so far as they are aware, there is no relevant audit information of which the auditor is unaware; and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of such information.

Auditor

Ernst and Young LLP have announced their intention to resign as auditor of the Partnership.

Deloitte LLP have been recommended for appointment as auditors to the Group for the year ended 31 March 2018 and the Manager proposes to appoint Deloitte LLP as the auditors of the Partnership following the date of these financial statements.

This Manager's report is approved by the Authorised Signatory for and on behalf of 3i Investments plc.



Authorised signatory

Date: 28/7/17

Registered Office:
16 Palace Street
London SW1E 5JD

Independent auditor's report to the Members of 3i Infrastructure Seed Assets LP

We have audited the financial statements of 3i Infrastructure Seed Assets LP ("the Partnership") for the year ended 31 March 2017, which comprise the Statement of comprehensive income, the Statement of changes in partners' accounts, the Statement of financial position, the Statement of cash flows, the Accounting policies A to K and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

This report is made solely to the Partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the Partnership'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 Partnership's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Manager and the auditor

As explained more fully in the Statement of Manager's Responsibilities set out on page 2, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Manager acting on behalf of the Partnership; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Manager's report and the Strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditor's report to the Members of 3i Infrastructure Seed Assets LP

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships by The Partnership (Accounts) Regulations

In our opinion, based on the work undertaken during the course of the audit:

- the information given in the Strategic Report and the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Manager's Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Partnership and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Manager's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

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



Neil Parker (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 28th JUL 2017

3i Infrastructure Seed Assets LP

No. LP011861

Statement of comprehensive income

for the year to 31 March

| | Notes | 2017 | 2016 |
|--|-------|------------------|------------------|
| | | £ | £ |
| Portfolio income | 1 | 2,907,517 | 3,291,982 |
| Administrative expenses | 2 | (103,391) | (103,350) |
| Other interest receivable | | 1,201 | 2,906 |
| Amounts available for allocation among Limited Partners | | 2,805,327 | 3,191,538 |
| Unrealised gain/(loss) on the revaluation of investments | 7 | 3,633,002 | (258,000) |
| Total comprehensive income for the year | | 6,438,329 | 2,933,538 |

All items in the above statement are derived from continuing operations.

Statement of changes in Partners' accounts

for the year to 31 March

| | | 2017 | 2016 |
|--|----------|-------------------|-------------------|
| | | £ | £ |
| Opening balance of Partners' accounts | 6 | 20,642,446 | 20,672,890 |
| Distributions to Partners | 6 | (2,767,517) | (3,221,982) |
| Total comprehensive income for the year | | 6,438,329 | 2,933,538 |
| Transfer to unrealised reserve | 7 | (3,633,002) | 258,000 |
| Closing balance of Partners' accounts | 6 | 20,680,256 | 20,642,446 |

The accounting policies on pages 9 to 11 and the notes on pages 12 to 17 form an integral part of these financial statements.

Statement of financial position

as at 31 March

| | Notes | 2017 £ | 2016 £ |
|---|-------|-------------------|-------------------|
| Assets | | | |
| Non-current assets | | | |
| Investments | 3 | 45,620,003 | 41,987,001 |
| Total non-current assets | | 45,620,003 | 41,987,001 |
| Current assets | | | |
| Receivables | 4 | 352,999 | 352,999 |
| Cash and cash equivalents | | 42,970 | 20,160 |
| Total current assets | | 395,969 | 373,159 |
| Total assets | | 46,015,972 | 42,360,160 |
| Liabilities | | | |
| Current liabilities | | | |
| Payables | 5 | 7,000 | 22,000 |
| Total liabilities | | 7,000 | 22,000 |
| Net assets | | 46,008,972 | 42,338,160 |
| Represented by: | | | |
| Loans and other debts due after one year | | | |
| Partners' capital classified as a liability | 6 | 20,291,287 | 20,291,287 |
| Equity | | | |
| Partners' capital classified as equity | 6 | 95 | 95 |
| Profit account | 6 | 388,874 | 351,064 |
| Total Partners' funds | | 20,680,256 | 20,642,446 |
| Unrealised reserve | 7 | 25,328,716 | 21,695,714 |
| | | 46,008,972 | 42,338,160 |

The accounting policies on pages 9 to 11 and the notes on pages 12 to 17 form an integral part of these financial statements.

For and on behalf of 3i Investments plc



Authorised signatory

Date: 28/7/17

Statement of cash flows

for the year to 31 March

| | Notes | 2017 £ | 2018 £ |
|---|-------|--------------------|--------------------|
| Cash flow from operating activities | | | |
| Portfolio income | 1 | 2,907,517 | 3,291,982 |
| Operating expenses | | (118,391) | (87,850) |
| Bank interest received | | 1,201 | 2,906 |
| Net cash flow from operating activities | | 2,790,327 | 3,207,038 |
| Cash flow from financing activities | | | |
| Distributions to Partners | 6 | (2,767,517) | (3,221,982) |
| Net cash flow from financing activities | | (2,767,517) | (3,221,982) |
| Net cash inflow/ (outflow) in the year | | 22,810 | (14,944) |
| Cash and cash equivalents at the start of the year | | 20,160 | 35,104 |
| Cash and cash equivalents at the end of the year | | 42,970 | 20,160 |

The accounting policies on pages 9 to 11 and the notes on pages 12 to 17 form an integral part of these financial statements.

3i Infrastructure Seed Assets LP Accounting policies

No. LP011861

A Statement of compliance These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards, International Accounting Standards and their interpretations issued or adopted by the International Accounting Standards Board as adopted for use in the European Union ("IFRS").

In addition, the financial statements have been prepared in accordance with and in compliance with the requirements of the agreement between the Partners dated 14 February 2007 and with the requirements of the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008.

New standards and interpretations not applied

The IASB has issued the following standards and interpretations to be applied to financial statements with periods commencing on or after the following dates:

| | | Effective for periods beginning on or after |
|---------|---|---|
| IAS 7 | Disclosure initiative (amendments to IAS 7 – Statement of Cash Flows) | 1 January 2017 |
| IFRS 9 | Financial Instruments | 1 January 2018 |
| IFRS 15 | Revenue from contracts with customers | 1 January 2018 |
| IFRS 16 | Leases | 1 January 2019 |

The Manager does not anticipate that the adoption of these standards, interpretations and amendments will have a material impact on the financial statements in the period of initial application and has therefore decided not to adopt these amendments early.

B Basis of preparation The financial statements are presented in sterling, the functional currency of the Partnership on the basis that the majority of the Partnership's business operations are conducted in sterling.

The preparation of financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

- (i) Valuation of the investment portfolio - The investment in Octagon Healthcare Limited is valued on a discounted cash flow basis which requires assumptions to be made regarding future cash flows and the discount rate to be applied to these cash flows.
- (ii) Assessment for impairment - The Manager must make certain estimates regarding the recoverability of loans and receivables when assessing whether these financial assets meet the criteria for impairment against the current carrying value.
- (iii) Treatment of capital - The Manager has made a judgement on the appropriate classification of Partners' capital as debt and equity as set out in Accounting policy F.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

C Basis of consolidation Associates are those entities in which the Partnership has significant influence, but not control, over the financial and operating policies. Investments that are held as part of the Partnership's investment portfolio are carried in the Statement of financial position at fair value even though the Partnership may have significant influence over those companies. This treatment is permitted by IAS 28, Investment in Associates, which allows investments held by venture capital organisations to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IAS 39, with changes in fair value recognised in the Statement of comprehensive income in the year.

D Investments Investments are recognised and derecognised on the date where the purchase or sale of an investment is under a contract whose terms require the delivery or settlement of the investment. Equity investments are managed with a view to profiting from the receipt of dividends and changes in the fair value of the investments. Equity investments are designated at fair value through profit and loss upon initial recognition and subsequently carried in the Statement of financial position at fair value. All investments are initially recognised at the fair value of the consideration given and held at this value until it is appropriate to measure fair value on a different basis, applying the Group's valuation policy, which can be found on page 103 of 3i Infrastructure plc's Annual report and accounts 2017.

The fair value of unquoted equity investments is measured in accordance with the International Private Equity and Venture Capital valuation guidelines. Discounted Cash Flow ("DCF") is the primary basis for valuation. In using the DCF basis, fair value is estimated by deriving the present value of the investment using reasonable assumptions and estimation of expected future cash flows and the appropriate risk-adjusted discount rate that quantifies the risk inherent in the investment. The discount rate will be estimated for each investment derived from the market risk-free rate, a risk-adjusted premium and information specific to the investment or market sector.

Debt based investments are classified as loans and receivables and subsequently carried in the Statement of financial position at amortised cost less impairment.

E Revenue recognition Revenue is analysed into the following components:

(i) Realised gains on the disposal of investments is the difference between the fair value of the consideration received, less any directly attributable costs, on the sale of equity and the repayment of loans and receivables, and its fair value at the date of the previous Statement of financial position. Realised gains are recognised in the Statement of comprehensive income.

(ii) Unrealised gains on the revaluation of investments is the movement in carrying value of investments between the start and end of the accounting period. This balance is recognised in the Statement of comprehensive income.

(iii) Portfolio income is recognised to the extent that it is probable that there will be economic benefit arising from the investment and the income can be reliably measured. The following specific recognition criteria must be met before the income is recognised:

- Income from loans and other receivables is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable.
- Dividends from equity investments are recognised when the shareholders' rights to receive payment have been established.
- Profit allocations are recognised when the right to income has been established from profits arising from the underlying partnerships.

F Classification of capital Under the terms of the Partnership Agreement of the Partnership, capital is contributed to the Partnership by the Members in the form of both capital and loan contributions. The loan contributions are classified as a liability in the financial statements on the basis that the repayment of the loan contributions ranks in priority to the repayment of the capital contributions upon a return of capital by the Partnership. All capital distributions made by the Partnership will reduce the loan contribution balance until such time as the loan contribution has been fully repaid by the Partnership. Following the repayment of the loan contributions, distributions will be recognised as distributions from the surplus capital profit of the Partnership. Where a distribution is made by the Partnership from the investment income earned, this distribution is shown as a distribution from the profit account. Loan distributions, capital distributions and income distributions are recognised at the point a notice is sent to Members of the Partnership.

G Administrative expenses All reasonable costs incurred in relation to the administration of the Partnership are charged to the Statement of comprehensive income on an accruals basis.

H Loan to the General Partner The General Partner is entitled to a fixed priority profit share of £15,000 per annum calculated in accordance with the Limited Partnership Agreement. The obligation of the Partnership to settle the priority profit share ranks in advance of the allocation of any profits to the other partners of the Partnership. To the extent that the Partnership generates insufficient realised profits in any financial year from which to settle the General Partner's profit share, payment is made to the General Partner in the form of an interest free loan that can only be settled through the allocation of future income generated by the Partnership. As a result, the priority profit share is considered to be an obligation of the Partnership and is therefore treated as an expense of the Partnership (and included in administrative expenses) rather than treated as an allocation made from Partners' capital.

I Cash and cash equivalents Cash and cash equivalents in the Statement of financial position comprise cash at bank and in hand. For the purposes of the Statement of cash flows, cash and cash equivalents comprise cash as defined above.

J Receivables Assets, other than those specifically accounted for under a separate policy, are stated at the value of the expected consideration receivable less impairment losses. The carrying value of such assets or liabilities is considered approximate to their fair value. All assets are reviewed at the date of each Statement of financial position to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated based on expected discounted future cash flows. Any change in the levels of impairment is recognised directly in the Statement of comprehensive income. An impairment loss is reversed at subsequent financial reporting date to the extent that the asset's carrying amount does not exceed its original carrying value had an impairment not been recognised.

K Payables Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts the Manager considers to be payable in respect of services received up to the date of the Statement of financial position. The Manager considers that the fair value of accounts payable approximates to their carrying value.

3i Infrastructure Seed Assets LP
Notes to the financial statements
for the year to 31 March

No. LP011861

1 Portfolio income

| | 2017 £ | 2016 £ |
|----------------------------------|------------------|------------------|
| Dividend income from investments | 1,474,993 | 1,879,783 |
| Interest income from investments | 1,432,524 | 1,412,199 |
| | 2,907,517 | 3,291,982 |

All income is derived from investments that are domiciled in the United Kingdom and from the Partnership's principal activity.

2 Administrative expenses

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Administrative expenses are stated after charging: | | |
| Management fee | 80,000 | 80,000 |
| Auditor's remuneration | 7,000 | 7,000 |
| Priority profit share | 15,000 | 15,000 |

The auditor's remuneration of £7,000 (2016: £7,000) was paid by 3i Infrastructure plc, the ultimate parent undertaking of the Partnership and was re-charged to the Partnership. The Partnership did not incur any non-audit fees (2016: £nil) in respect of services provided by the Partnership's auditor.

3 Investments

The Partnership holds an equity and loan investment in Octagon Healthcare Limited, an entity domiciled in the United Kingdom. The Partnership has considered the fair value of the equity and debt investment together as they will be managed and valued as a single investment and cannot be realised separately.

| | Direct investments | | Total |
|---|-------------------------|-------------------------------|------------|
| | Unquoted equity £ | Loans and receivables £ | £ |
| At 1 April 2016 | 30,220,370 | 11,766,631 | 41,987,001 |
| Unrealised profit on revaluation of investments | 3,633,002 | - | 3,633,002 |
| At 31 March 2017 | 33,853,372 | 11,766,631 | 45,620,003 |

| | Direct investments | | Total |
|---|-------------------------|-------------------------------|------------|
| | Unquoted equity £ | Loans and receivables £ | £ |
| At 1 April 2015 | 30,478,370 | 11,766,631 | 42,245,001 |
| Unrealised loss on revaluation of investments | (258,000) | - | (258,000) |
| At 31 March 2016 | 30,220,370 | 11,766,631 | 41,987,001 |

3i Infrastructure Seed Assets LP
Notes to the financial statements
for the year to 31 March

No. LP011861

3 Investments (continued)

Fair value hierarchy

The Manager classifies financial instruments measured at fair value in the investment portfolio according to the following hierarchy:

| Level | Fair value input description | Financial instruments |
|---------|---|--|
| Level 1 | Quoted prices (unadjusted) from active markets | Quoted equity instruments |
| Level 2 | Inputs other than quoted prices included in Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices) | No Level 2 financial instruments |
| Level 3 | Inputs that are not based on observable market data | Unquoted equity and unlisted managed funds |

Unquoted equity instruments are measured in accordance with the International Private Equity and Venture Capital Valuation guidelines with reference to the most appropriate information available at the time of measurement.

As the fair value of debt and equity instruments are considered together, the Partnership's equity and loan investment portfolio is classified by the fair value hierarchy as the following:

| | Level 1 £ | Level 2 £ | Level 3 £ | 2017 Total £ |
|-------------|--------------|--------------|--------------|--------------------|
| Investments | - | - | 45,620,003 | 45,620,003 |
| Total | - | - | 45,620,003 | 45,620,003 |

| | Level 1 £ | Level 2 £ | Level 3 £ | 2016 Total £ |
|-------------|--------------|--------------|--------------|--------------------|
| Investments | - | - | 41,987,001 | 41,987,001 |
| Total | - | - | 41,987,001 | 41,987,001 |

| Level 3 fair value reconciliation | 2017 £ |
|-----------------------------------|------------|
| Opening fair value | 41,987,001 |
| Revaluation | 3,633,002 |
| Closing fair value | 45,620,003 |

| Level 3 fair value reconciliation | 2016 £ |
|-----------------------------------|------------|
| Opening fair value | 42,245,001 |
| Revaluation | (258,000) |
| Closing fair value | 41,987,001 |

The investment in Octagon Healthcare Limited (held within Level 3) is valued on a discounted cash flow basis, hence the valuation is sensitive to the discount rate assumed in the valuation of the asset. Increasing the discount rate used in the valuation of the asset by 1% would reduce the value of the asset by £4.1 million (2016: £4.0 million). Decreasing the discount rate used in the valuation of the asset by 1% would increase the value of the asset by £4.7 million (2016: £4.5 million).

3i Infrastructure Seed Assets LP
Notes to the financial statements
for the year to 31 March

No. LP011861

3 Investments (continued)

The investment in Octagon Healthcare Limited (held within Level 3) has revenues that are linked, partially linked or in some way correlated to inflation. The long-term inflation rate assumption used in the valuation was 2.5%. The impact of increasing the inflation rate assumption by 1% for the next two years would increase the value of the asset by £1.1 million (2016: £1.0 million). Decreasing the inflation rate assumption used in the valuation of the asset by 1% for the next two years would decrease the value of the asset by £1.1 million (2016: £1.0 million).

The valuation is sensitive to changes to interest rates, which may result from: (i) unhedged existing borrowings; (ii) interest rates on uncommitted future borrowings assumed within the asset valuation; and (iii) cash deposits held. Increasing the cost of borrowing assumption for unhedged borrowings and any future uncommitted borrowing and the cash deposit rates used in the valuation of the asset by 1% would increase the value of the asset by £0.7 million (2016: £0.4m). Decreasing the interest rate assumption used in the valuation of the asset by 1% would decrease the value of the asset by £1.0 million (2016: £0.4m). This calculation does not take account of any offsetting variances which may be expected to prevail if interest rates changed.

4 Receivables

| | 2017 £ | 2016 £ |
|----------------|-----------|-----------|
| Accrued income | 352,999 | 352,999 |
| | 352,999 | 352,999 |

None of the above amounts is considered to be past due or impaired (2016: £nil).

5 Payables

| | 2017 £ | 2016 £ |
|---------------------------------|-----------|-----------|
| Amounts owed to General Partner | - | 15,000 |
| Accruals | 7,000 | 7,000 |
| | 7,000 | 22,000 |

3i Infrastructure Seed Assets LP
Notes to the financial statements
for the year to 31 March

No. LP011861

6 Partners' accounts

| | Capital contributions £ | Loan contributions £ | Profit account £ | Total £ |
|--|-------------------------------|----------------------------|------------------------|-------------|
| Total Partners' funds at 1 April 2016 | 95 | 20,291,287 | 351,064 | 20,642,446 |
| Amount available for allocation amongst Partners | - | - | 2,805,327 | 2,805,327 |
| Distribution to Partners | - | - | (2,767,517) | (2,767,517) |
| Total Partners' funds at 31 March 2017 | 95 | 20,291,287 | 388,874 | 20,680,256 |

| | Capital contributions £ | Loan contributions £ | Profit account £ | Total £ |
|--|-------------------------------|----------------------------|------------------------|-------------|
| Total Partners' funds at 1 April 2015 | 95 | 20,291,287 | 381,508 | 20,672,890 |
| Amount available for allocation amongst Partners | - | - | 3,191,538 | 3,191,538 |
| Distribution to Partners | - | - | (3,221,982) | (3,221,982) |
| Total Partners' funds at 31 March 2016 | 95 | 20,291,287 | 351,064 | 20,642,446 |

7 Unrealised reserve

| | Unrealised reserve £ |
|-------------------------------|----------------------------|
| At 1 April 2016 | 21,695,714 |
| Unrealised gain on investment | 3,633,002 |
| At 31 March 2017 | 25,328,716 |

| | Unrealised reserve £ |
|-------------------------------|----------------------------|
| At 1 April 2015 | 21,953,714 |
| Unrealised loss on investment | (258,000) |
| At 31 March 2016 | 21,695,714 |

8 Income taxes

No provision for taxation has been made as the Partnership is not a taxable entity. Any taxation arising on the income and gains of the Partnership is payable by the individual Partners. Any withholding tax incurred by the Partnership is charged to the Statement of comprehensive income.

3i Infrastructure Seed Assets LP
Notes to the financial statements
for the year to 31 March

No. LP011861

9 Related parties

During the year the Partnership entered into transactions, in the ordinary course of business, with certain related parties. Each of these categories of related parties and their impact on the financial statements is detailed below. The Partnership has no key management personnel (2016: nil).

Limited Partners

Transactions with Limited Partners in the form of allocations of profit and drawdowns and distributions of cash, including balances at the year end, are detailed in note 6.

General Partner

The Partnership pays a Priority Profit Share to its General Partner. To the extent that there is insufficient income to allocate against the General Partner's drawings, the balance takes the form of an interest free loan. A distribution of £15,000 (2016: £15,000) was due to the General Partner during the year with £nil outstanding at the end of the year (2016: £15,000).

The Manager

Amounts charged by the Manager relating to administrative expenses paid on behalf of the Partnership and remuneration for supply of services to the Partnership was £87,000 (2016: £87,000) and as at 31 March 2017 £nil (2016: £nil) remained outstanding.

10 Controlling party

In addition to being an investing partner in the Partnership, 3i Infrastructure plc is the ultimate parent undertaking and controlling party of the Partnership. Copies of the 3i Infrastructure plc financial statements are available from 12 Castle Street, St Helier, Jersey JE2 3RT.

11 Related Undertakings

The Companies Act 2006 as applied by the Partnerships (Accounts) Regulations 2008 requires disclosure of certain information about the Partnership's related undertakings and this is set out below. Related undertakings are subsidiaries, joint ventures, associates and other significant holdings. In this context, significant means a shareholding greater than or equal to 20% of the nominal value of any class of shares.

The Partnership's related undertakings at 31 March 2017 are listed below.

Associates

| Description | Holding / share class | Address | Country of incorporation | Principle activity |
|----------------------------|--------------------------------|---|--------------------------|-----------------------|
| Octagon Healthcare Limited | 36.8% Ordinary Shares (direct) | 3rd Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ | United Kingdom | Healthcare facilities |

12 Financial risk management

The Partnership is a subsidiary of 3i Infrastructure plc. The Group sets objectives, policies and processes for managing and monitoring operational risk as set out in the Risk and Mitigations section in the 3i Infrastructure plc annual report. This note provides further information on the specific financial risks faced by the Partnership.

Concentration risk

Concentration risk is managed at the Group level as outlined in the risk report in the 3i Infrastructure plc annual report. The Partnership is exposed to risk as it holds an investment in a single asset without diversification. The risk exposure at each year end is considered to be representative of the year as a whole.

12 Financial risk management (continued)

Capital structure

The capital structure of the Partnership consists of equity and loan commitments made by limited partners in accordance with the Limited Partnership Agreement dated 14th February 2007. The Manager believes that the Partnership has sufficient capital to cover its liabilities. The Partnership is free to return realised surplus profits to the partners in accordance with the Limited Partnership Agreement. No restrictions exist in respect of the distribution of surplus realised profits other than the requirement to allocate to each Partner in proportion to their profit entitlements in accordance with the Limited Partnership Agreement.

Credit risk

The Partnership takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts when they fall due. The Manager does not believe that there is significant credit risk as amounts owed by the Partnership's debtors are due from investee companies for which the performance and ability to meet obligations are closely monitored. The Partnership's maximum exposure to credit risk is the value of the debt investment and receivables balance as disclosed in notes 3 and 4 and its cash balance, which is held at a single A credit rated bank.

The Partnership is also exposed to credit risk in relation to outstanding loan commitments from its Limited Partners.

Loan commitments are made under the Limited Partnership Agreement signed by all parties so that all members of the Partnership are aware of their commitments. The Manager communicates regularly with all the members of the Partnership to make them aware of likely future capital requirements and provide explanations for investment performance. The risk exposure at each year end is considered to be representative of the year as a whole. The value of outstanding loan commitments from Limited Partners at the year end was nil (2016: £nil).

Liquidity risk

Liquidity risk is managed at the Group level as discussed in the risk report in the 3i Infrastructure plc annual report. Liabilities are repayable on demand for the consideration shown in note 5. The risk exposure at each year end is considered to be representative of the year as a whole.

Market risk

The valuation of the Partnership's investment is largely dependent on the underlying trading performance of the investee company, but the valuation of the investment and the carrying value of other items in the financial statements can also be affected by interest rate, currency and quoted market fluctuations. The risk exposure at each year end is considered to be representative of the year as a whole. The Partnership's sensitivities to these are set out below.

(i) Interest rate risk

The Partnership is not exposed to any significant interest rate risk as interest earned on the cash held at bank is not significant and the rate on the direct loan investment held is fixed. The risk exposure at each year end is considered to be representative of the year as a whole.

(ii) Currency risk

There is no currency risk as all balances are held in pounds sterling. The risk exposure at each year end is considered to be representative of the year as a whole.

(iii) Market price risk

The Partnership is exposed to market price risk in relation to the fair value of its direct investments. Volatility in the market value of direct investments is considered to be limited due to the predictable nature of the cash flows that are received from the underlying infrastructure investments. A 10% (2016: 10%) increase or decrease in the fair value of the investments would have the impact of increasing or decreasing net assets and net profit by £4.6m (2016: £4.2m). The risk exposure at each year end is considered to be representative of the year as a whole.

13 Contingent liabilities

At 31 March 2017, there were no material litigation or other contingent liabilities outstanding against the Partnership (2016: nil). There are no outstanding investment commitments owed by the Partnership (2016: nil).