

Company registration number: 6221084

PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

**Directors' report and financial statements for the year ended
31 December 2018**



PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

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PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

| | |
|------------------------------------|---|
| Directors | R J Newton (resigned 4 May 2018) M C Wayment A B Deacon |
| Company secretary | E Mendes (appointed 12 January 2018) A Wyllie (resigned 12 January 2018) |
| Company registration number | 6221084 |
| Registered office | 12 Charles II Street London SW1Y 4QU |
| Bankers | HSBC Bank Plc 8 Canada Square London E14 5HQ |
| Auditor | KPMG LLP 15 Canada Square London E14 5GL |

PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of Peterborough Hospital Investments Limited (the "Company") for the year ended 31 December 2018.

Principal activities

The Company acts as an investment holding company, established to hold an investment in a company established to undertake infrastructure projects. The Company has a 70% holding in Peterborough (Progress Health) Holdings Limited, which due to restrictions in the shareholders agreement is classified as a joint venture.

Business review

The profit for the year ended 31 December 2018 is £nil (2017: £nil).

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Strategic report

The Company has taken advantage of the exemption provided for under section 414B (b) of the Companies Act 2006, and has not produced a strategic report.

Risk management

The Company is part of the InfraRed Capital Partners (Management) LLP group (the "Group"). Risk is managed on a Group basis. The managing partners of the Group are responsible for the Group risk management framework. This comprises identifying and evaluating the risks that the Group faces and ensuring that appropriate controls and processes are in place to manage these risks. It also comprises responsibility for the oversight of the risk management process. An important part of the Group risk management framework is to have documented policies and procedures in place.

The Directors of the Company are responsible for ensuring that the Company complies with the Group's risk management framework. Assurance as to the effectiveness of and compliance with the risk management framework and internal controls is provided by the Group's risk management functions.

The Directors consider its risk management framework is appropriate for a company of its size and complexity.

PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

DIRECTORS' REPORT (continued)

Future developments

No change in the Company's activities is anticipated.

Dividends

The Directors have not declared a dividend in respect of the years ended 31 December 2018 (2017: £nil).

Directors

The Directors who served during the year were as follows:

Name

R J Newton (resigned 4 May 2018)

M C Wayment

A B Deacon

The Articles of Association of the Company provide that in certain circumstances the Directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the Companies Act 2006. Indemnity provisions of this nature have been in place during the financial year but have not been utilised by the Directors.

Disclosure of information to auditor

Each person 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 Company's auditor is unaware; and the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given pursuant to section 418 of the Companies Act 2006 and should be interpreted in accordance therewith.

Independent auditor

KPMG LLP is deemed to be reappointed in accordance with an elective resolution made under section 487 of the Companies Act 2006.

PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

DIRECTORS' REPORT (continued)

Statement of Directors' Responsibilities In respect of the Directors' Report and the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with 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 Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the Board



A B Deacon
Director

Registered Office
12 Charles II Street
London
SW1Y 4QU

25 March 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Peterborough Hospital Investments Limited (the "Company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its result for the year then ended;
- 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

The Impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETERBOROUGH HOSPITAL INVESTMENTS LIMITED (continued)

Directors' Report

The Directors are responsible for the Directors' Report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read 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 Directors' Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on pages 3 to 4, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETERBOROUGH
HOSPITAL INVESTMENTS LIMITED (continued)**

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.



Bill Holland (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canade Square
London
E14 5GL

26 March 2019

PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2018

| | Note | 2018 £ | 2017 £ |
|--|-------------|--------------------|--------------------|
| Turnover | | 2,627,374 | 2,838,241 |
| Operating expenses | 4 | - | - |
| Operating profit | | 2,627,374 | 2,838,241 |
| Interest payable and similar charges | | (2,627,374) | (2,838,241) |
| Profit on ordinary activities before taxation | | - | - |
| Tax on profit on ordinary activities | | - | - |
| Profit for the financial year | | - | - |
| Total comprehensive income for the financial year | | - | - |

All activities derive from continuing operations.

The accompanying notes on pages 11 to 16 form an integral part of these financial statements.

PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION as at 31 December 2018

| | Note | 2018 £ | 2017 £ |
|--|------|---------------------|---------------------|
| Non-current assets | | | |
| Investments | 6 | <u>17,108,668</u> | <u>17,156,637</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 7 | 2,180,921 | 2,094,896 |
| Cash at bank and in hand | | <u>1,403,042</u> | <u>121</u> |
| | | 3,563,963 | 2,095,017 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 8 | <u>(3,563,796)</u> | <u>(2,094,850)</u> |
| Net current assets | | <u>167</u> | <u>167</u> |
| Total assets less current liabilities | | 17,108,835 | 17,156,804 |
| Creditors: amount falling due after more than one year | 9 | <u>(17,073,669)</u> | <u>(17,121,638)</u> |
| Net assets | | <u>35,166</u> | <u>35,166</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 35,000 | 35,000 |
| Profit and loss account | | <u>166</u> | <u>166</u> |
| Equity shareholders' funds | | <u>35,166</u> | <u>35,166</u> |

The accompanying notes on pages 11 to 16 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 25 March 2019 and signed on its behalf by:



A B Deacon
Director

Company Registration Number 6221084

PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY as at 31 December 2018

| | Called up share capital £ | Profit and loss account £ | Total £ |
|---------------------|--|--|--------------------|
| At 1 January 2017 | <u>35,000</u> | <u>166</u> | <u>35,166</u> |
| At 31 December 2017 | <u>35,000</u> | <u>166</u> | <u>35,166</u> |
| At 31 December 2018 | <u>35,000</u> | <u>166</u> | <u>35,166</u> |

The accompanying notes on pages 11 to 16 form an integral part of these financial statements.

PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018

1. GENERAL INFORMATION

Peterborough Hospital Investments Limited was incorporated on 20 April 2007. The Company is a Private Limited Company with Company number 6221084.

The Company acts as an investment holding company, established to hold an investment in a company established to undertake infrastructure projects.

The Company's registered address is 12 Charles II Street, London, SW1Y 4QU.

2. ACCOUNTING POLICIES

a) Statement of compliance

The individual financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and all applicable laws and regulations.

The Company is a wholly-owned subsidiary of InfraRed Capital Partners (Management) LLP and is included in the consolidated financial statements of InfraRed Capital Partners (Management) LLP. Consequently, the Company has taken advantage of the exemptions available under FRS 102 in respect of the following disclosures:

- reconciliation of the number of shares outstanding from the beginning to the end of the period;
- cash flow statement and related notes; and
- key management personnel compensation.

b) Basis of preparation

These financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom (FRS 102). These financial statements are presented in Pounds Sterling ("£"), the Company's functional currency.

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The principal accounting policies, which have been consistently applied throughout the year and the preceding year, are described below.

c) Exemption from preparing consolidated accounts

The Company is a subsidiary undertaking of InfraRed Capital Partners (Management) LLP, a LLP incorporated in the United Kingdom, and is included in the consolidated accounts of that company. As such it is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

d) Turnover

Turnover represents loanstock interest.

Loanstock interest is recognised in Statement of Comprehensive Income on an accruals basis, from the date the entitlement arises.

Revenue is recognised to the extent that it is virtually certain that the economic benefit will flow to the entity and can be reliably measured.

PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2018

2. ACCOUNTING POLICIES (continued)

e) Taxation

Taxation expense for the year comprises current tax and deferred tax recognised in the financial year. Tax is recognised in Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

f) Investments

Investments are recognised at cost less any accumulated impairment losses.

g) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held on call with banks.

h) Current debtors and creditors

Debtors and creditors with no stated interest rate and which are receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other operating expenses.

i) Share capital

Shares are classified as equity when there is no contractual obligation to transfer cash or other financial assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from proceeds, net of tax.

Dividends payable in relation to equity shares are recognised as a liability in the period in which they are declared.

PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2018

2. ACCOUNTING POLICIES (continued)

j) Cash flow statement

The Company is a wholly-owned subsidiary of InfraRed Capital Partners (Management) LLP and is included in the consolidated financial statements of InfraRed Capital Partners (Management) LLP. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102.1.12.

3. USE OF ASSUMPTIONS AND ESTIMATES

When preparing the financial statements, it is the Directors' responsibility to select suitable accounting policies and to make judgements and estimates that are reasonable and prudent.

There are no accounting policies that are deemed critical to the Company's results and financial position, in terms of materiality of the items to which the policy is applied, which involve a high degree of judgement and estimation.

4. AUDITOR'S REMUNERATION

The auditor's remuneration for the year of £3,420 (2017: £3,348) has been borne by a group undertaking.

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors are not remunerated by the Company. The Directors are either partners of Infrared Capital Partners (Management) LLP ("LLP"), the ultimate controlling party, and are remunerated through profit shares from the LLP or are employees of Infrared Partners LLP, and intermediate parent company, and are remunerated from Infrared Partners LLP.

The number of persons employed by the Company during the year was nil (2017: nil).

6. INVESTMENTS

| | 2018 £ | 2017 £ |
|--------------------------------------|------------|------------|
| Equity investments | | |
| Balance at 1 January and 31 December | 34,999 | 34,999 |
| Loan stock investments | | |
| Balance at 1 January | 17,121,638 | 17,161,051 |
| Redemption | (47,969) | (39,413) |
| Balance at 31 December | 17,073,669 | 17,121,638 |
| Total investments | 17,108,668 | 17,156,637 |

PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2018

6. INVESTMENTS (continued)

The Company holds an investment in the following undertaking incorporated in the United Kingdom:

| Name of undertaking | Class of shares | Proportion of shares held - % | | Activities |
|---|-----------------------|----------------------------------|-------|------------|
| | | 2018 | 2017 | |
| Peterborough (Progress Health) Holdings Limited <i>Hcp Social Infrastructure (uk) Limited,</i> 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG | Ordinary | 70.0% | 70.0% | Holding |

The Company has a 70% holding in Peterborough (Progress Health) Holdings Limited, which due to restrictions in the shareholders agreement is classified as a joint venture.

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | 2017 |
|-----------------------------|------------------|------------------|
| | £ | £ |
| Accrued interest receivable | 2,160,875 | 2,094,850 |
| Other debtors | 46 | 46 |
| | <u>2,160,921</u> | <u>2,094,896</u> |

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | 2017 |
|--------------------------|------------------|------------------|
| | £ | £ |
| Accrued interest payable | <u>3,563,798</u> | <u>2,094,850</u> |

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2018 | 2017 |
|----------------------------|-------------------|-------------------|
| | £ | £ |
| 13.5% unsecured loan notes | <u>17,073,669</u> | <u>17,121,638</u> |

The loans notes are fixed rate unsecured loan notes payable to InfraRed Infrastructure Yield Holdings Limited, the immediate parent company. Interest on these notes is charged at 13.5% per annum, the notes are fully repayable on 2 October 2042.

10. CALLED UP SHARE CAPITAL

| | 2018 | 2017 |
|---|---------------|---------------|
| | £ | £ |
| Allotted, called up and fully paid 35,000 ordinary shares of £1 each | <u>35,000</u> | <u>35,000</u> |

PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2018

11. RELATED PARTY TRANSACTIONS

As a wholly owned Group company of InfraRed Capital Partners (Management) LLP, the Company has taken advantage of the exemption granted by FRS 102.33.1A not to disclose related party transactions between it and other fellow wholly owned group companies.

The table below discloses the related party transactions and balances between the Company and non-wholly owned members of the group.

| Related party | Amount of transaction 2018 £ | Balance at 31 December 2018 £ | Details of transactions |
|---|------------------------------------|--|---------------------------------|
| Peterborough (Progress Health) Holdings Limited | - | 34,999 | Investment in associate |
| Peterborough (Progress Health) Nominee Limited | (47,969) | 17,073,669 | Loan to subsidiary of associate |
| Peterborough (Progress Health) Nominee Limited | 66,025 | 2,160,875 | Loanstock interest |
| | £ | £ | |
| Peterborough (Progress Health) Holdings Limited | - | 34,999 | Investment in associate |
| Peterborough (Progress Health) Nominee Limited | (39,413) | 17,121,638 | Loan to subsidiary of associate |
| Peterborough (Progress Health) Nominee Limited | (3,804,563) | 2,094,850 | Loanstock interest |

12. ULTIMATE PARENT UNDERTAKINGS

The Company's immediate parent company is InfraRed Infrastructure Yield Holdings Limited which is incorporated in England and Wales.

The ultimate parent undertaking of the Company is InfraRed Capital Partners (Management) LLP, which is the parent of the largest and only group which consolidates the results of the Company.

The consolidated financial statements of the Group are available to the public and may be obtained from Companies House.

13. SUBSEQUENT EVENTS

There were no subsequent events after the Statement of Financial Position date requiring disclosure in these financial statements.

PETERBOROUGH HOSPITAL INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2018

14. FINANCIAL RISK MANAGEMENT

The Company is subject to a number of financial risks throughout its business. Valuations are performed using a discounted cash flow approach and discount rates are determined from similar secondary market participants. All the Company's investments are in Pounds Sterling and hence there is no foreign exchange risk.

a) Credit risk

Credit risk is the risk of financial loss if a counterparty fails to meet its obligations to pay outstanding amounts as they fall due. The Company has no significant credit exposure.

Appropriate credit checks are required to be made on all counterparties to the Company. The Company only deposits money with appropriately rated counterparties. The Company plays an active part in the oversight of all underlying projects and along and assesses the credit risk of the investments on an ongoing basis.

b) Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its payment obligations as they fall due or can only do so at a significantly high cost. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due.