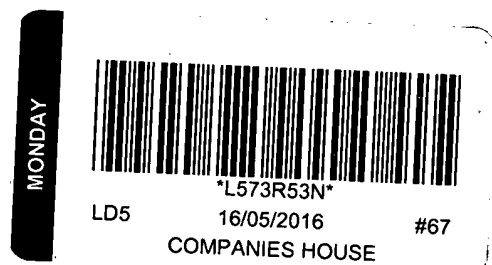


EQUITIX INVESTMENT MANAGEMENT LIMITED

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2015**



Registered Number: 06273020

EQUITIX INVESTMENT MANAGEMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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EQUITIX INVESTMENT MANAGEMENT LIMITED

DIRECTORS AND ADVISERS

Directors

H B Crossley

K J Maddin (resigned 30 January 2015)

G A Jackson

N G B Parker

J C Smith (appointed 27 January 2015)

P G G Dear (appointed 2 February 2015)

Company secretary and registered office

H B Crossley

Welken House

10-11 Charterhouse Square

London

EC1M 6EH

Auditor

KPMG LLP

Chartered Accountants

London

Principal bankers

Royal Bank of Scotland plc

2 Devonshire Square

London

EC2M 4XJ

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements for the year ended 31 December 2015.

DIRECTORS

The Directors who served throughout the year are shown on page 1.

RESULTS AND DIVIDENDS

The profit after tax for the year amounted to £768,534 (2014 - £433,976) which was transferred to retained earnings.

The Directors do not recommend the payment of a dividend (2014 - £nil).

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and market position are set out in the Strategic Report on pages 3 and 4. The financial position of the Company, its cash flows, liquidity position and borrowings are described by the Directors in the notes to these financial statements on pages 9 to 13. Included within this section is a brief description of the Company's objectives, capital management policies and financial risk management.

The Company's forecasts and projections, taking account of reasonably possible changes in performance, show that the Company should be able to operate within the level of its current available resources including support from other Group undertakings.

As a consequence, the Directors believe the Company is well placed to manage its risks successfully despite any current uncertainties and the economic outlook.

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 annual report and accounts.

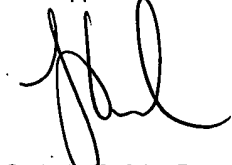
AUDITOR

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP resigned as auditor on 14 September 2015 pursuant to section 516 of the Companies Act 2006. On 28 September 2015 the Directors appointed KPMG LLP as auditor of the company to fill the casual vacancy as auditor under section 485(3) of the Companies Act 2006. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.



On behalf of the Board
G A Jackson
31 March 2016

STRATEGIC REPORT

This report highlights and explains the strategic issues for the Company.

THE BUSINESS MODEL

The Company's primary business activity is acting as the investment manager of Equitix Fund I LP, Equitix Fund II LP, Equitix Fund III LP, Equitix Fund IV LP and Equitix MA Fund I LP (the "Funds"), unregulated collective investment schemes focusing on primary and secondary PFI and PPP projects. Under the terms of Limited Partnership Agreements with the investors of the Funds, the Company selects primary market projects and secondary market acquisitions for investment.

The Company evaluates each possible investment via an investment committee comprising suitably qualified specialists to ensure that only opportunities that will meet the return requirements of all fund investors are selected.

The Company's other primary business activity is acting as the investment manager of Equitix Energy Saving Investments LP and Equitix Energy Efficiency Fund LP (the "Green Funds"), unregulated collective investment schemes focused on equity funded energy efficiency initiatives including any and all projects that invest in green energy and energy efficient projects.

Under the terms of each Green Fund's Limited Partnership Agreement, the Company selects primary market projects for investment.

The Company uses an independently chaired fund investment committee to analyse each investment to ensure that only the highest quality opportunities are selected.

BUSINESS OBJECTIVES AND STRATEGY

The Company remains closely engaged with Equitix Limited, a fellow group undertaking, to ensure that it understands all primary market projects and can make coherent proposals to the Funds in order to maintain a well balanced and profitable portfolio on behalf of the Funds and the Green Funds.

The Company constantly monitors the secondary market to evaluate each opportunity and make investment proposals to the Funds for those projects that the Company believes will fit well in the portfolio of the Funds and the Green Funds.

KEY PERFORMANCE INDICATORS

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

- raise investment capital for new Funds;
- achievement of sustainable long-term investment growth for Funds under the Company's management;
- maintain sustainable investment returns for Funds under the Company's management;
- identify, develop and manage a sustainable and attractive investment pipeline for all Funds;
- targeted investments in suitable secondary market acquisitions creating well balanced portfolio growth; and
- delivery of strict rate of return criteria.

During the year the Company raised over £100m for Equitix MA Fund I LP, the Company also raised over £390m for Equitix Fund IV LP, both unregulated collective investment schemes for which the Company is the Manager.

During the year, the Company was instrumental in recommending and executing the investment of over £545m of capital across the Funds and over £85m of capital across the Green Funds.

The portfolio valuations for the Funds show a well balanced, diversified and sustainable set of investments and all assets are performing within, or better than budgeted expectations. The Company continues to further opportunities for investment on behalf of the Funds and the Green Funds.

For reasons listed above, the Directors believe the Company has satisfied all key performance indicators set during the year.

STRATEGIC REPORT CONTINUED

BUSINESS RISK AND UNCERTAINTY

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

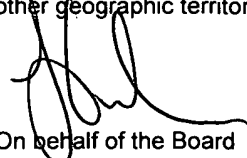
The Company's risk management policies and procedures are discussed below:

Issue	Risk	Mitigation
Investment	The Company may recommend the acquisition of a secondary market opportunity that does not perform to plan and does not produce the rate of return inherent in the acquisition price.	The Company employs the use of external experts combined with internal challenge, to perform rigorous due diligence checks on all opportunities before agreeing to recommend as investments.
Compliance	The Company may fail to meet obligations handed down by the Financial Conduct Authority (UK) and as a result lose its licence to operate as an investment manager.	The Directors are all regulated individuals and regularly update personal training plans to ensure awareness of all compliance requirements.
Financial	The Company may fall into financial and liquidity difficulty.	The Company deals with Fund investors only, the investors in which are all screened to ensure their creditworthiness and capacity for investment. The Company only borrows from Equitix Finance Limited, a fellow group undertaking, at a fixed interest rate and thus reduces its exposure to interest movements. The Company deals solely in Sterling and thus has no exposure to exchange movements.

Given the resources available, the Directors have formed the judgement that the Company is well positioned to mitigate the majority of risks that could have a potentially material impact on the primary business activities and key objectives.

FUTURE OBJECTIVES

The Company will continue to evaluate and select high quality investment assets for the Funds including identifying pre-emption opportunities for existing investments and two key performance indicators for the coming year is the amount of capital raised for Equitix Fund IV LP and the level of investments committed to the Funds and Green Funds. The Company will continue to evaluate UK and European infrastructure opportunities as well as monitor and capitalise on other geographic territories and infrastructure markets.



On behalf of the Board

G A Jackson

31 March 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 period. 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; and
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EQUITIX INVESTMENT MANAGEMENT LIMITED

We have audited the financial statements of Equitix Investment Management Limited for the year ended 31 December 2015 set out on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 Directors' Responsibilities Statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

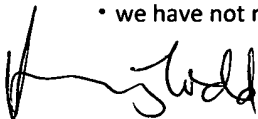
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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.



Henry Todd (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, Canary Wharf
London
E14 5GL
31 March 2016

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Turnover	1	<u>12,283,858</u>	<u>11,857,369</u>
Gross profit		12,283,858	11,857,369
Administrative expenses		(11,351,403)	(11,273,295)
Operating profit	2	<u>932,455</u>	<u>584,074</u>
Net interest payable	5	(10,561)	(52,371)
Profit on ordinary activities before taxation		<u>921,894</u>	<u>531,703</u>
Tax charge on profit on ordinary activities	6	(144,503)	(97,727)
Profit on ordinary activities after taxation		<u>777,391</u>	<u>433,976</u>
Retained profit for the year transferred to reserves	11	<u>777,391</u>	<u>433,976</u>

All items in the profit and loss account relate to continuing operations.

All gains and losses are recognised in the profit and loss account in the current and prior year, and therefore no separate statement of comprehensive income has been presented.

The notes on pages 10 to 13 form an integral part of these financial statements.

EQUITIX INVESTMENT MANAGEMENT LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2014 £	2014 £
Current assets			
Intangible assets	8	<u>1,003,905</u>	<u>2,697,944</u>
		1,003,905	2,697,944
Current assets			
Debtors due within less than one year	7	<u>1,900,493</u>	<u>2,041,260</u>
Cash at bank and in hand		<u>507,410</u>	<u>310,036</u>
		2,407,903	2,351,296
Current liabilities			
Creditors: Amounts due within one year	9	<u>(1,578,015)</u>	<u>(4,121,409)</u>
		(1,578,015)	(4,121,409)
Net current assets		829,888	(1,770,113)
Total assets less current liabilities		1,833,792	927,831
Creditors: amounts falling due after more than one year	9	(128,570)	-
Net assets		1,705,223	927,831
Capital and reserves			
Called up share capital	10	10,000	10,000
Profit and loss account	11	1,695,222	917,831
Shareholders' funds	12	1,705,222	927,831

The financial statements of Equitix Investment Management Limited, registered number 06273020, were approved by the Board of Directors on 31 March 2016 and were signed on its behalf by:



G A Jackson
Director

The notes on pages 10 to 13 form an integral part of these financial statements.

EQUITIX INVESTMENT MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

	Share Capital £	Profit and Loss Account £	Total £
At 1 January 2014	10,000	483,855	493,855
Profit for the year	-	433,976	433,976
At 31 December 2014	<u>10,000</u>	<u>917,831</u>	<u>927,831</u>
Profit for the year	-	777,391	777,391
At 31 December 2015	<u>10,000</u>	<u>1,695,222</u>	<u>1,705,222</u>

Notes to the financial statements for the year ended 31 December 2015

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with applicable Laws (as noted in the Directors' Report on page 2) and FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. Old UK GAAP has been replaced by a series of new Financial Reporting Standards ("FRSs") which are mandatory for accounting periods beginning on or after 1 January 2015. In accordance with the revised framework, the Directors have applied FRS 102 for the first time in preparation of these financial statements. In the transition to FRS 102 from old UK GAAP, the Company has made adjustments to its accounting recognition policies as explained in this note and note 8. A summary of the principal accounting policies adopted by the Directors, which have been applied consistently are shown below.

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

b) Turnover

All turnover is derived entirely in the United Kingdom and is net of VAT.

Turnover is derived from Equitix GP 1 Limited, Equitix GP 2 Limited, Equitix GP3 Limited, Equitix GP4 Limited, Equitix MA GP1 Limited, Equitix Energy Efficient GP 1 Limited and Equitix Energy Efficiency GP 1 Limited, fellow group undertakings, for investment management services rendered and is recognised on an accruals basis.

c) Taxation

Current tax, including United Kingdom Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are not discounted.

d) Going concern

The financial statements have been prepared on the going concern basis for the reasons explained in the Directors' Report and Strategic Report.

e) Intangibles

Intangible assets recognised represent the right to future income from Equitix Fund II LP, Equitix Fund III LP, Equitix Fund IV LP and Equitix Energy Efficiency Fund LP secured through various management service agreements held by the Company, as a consequence of expenditure on placement fees.

The assets are amortised on a straight line basis over the investment period of each respective fund.

Intangible assets relating to placement fees incurred on Equitix Fund I LP and Equitix Fund II LP have been fully amortised as at the balance sheet date.

The amortisation of placement fees is consistent under UK GAAP and FRS102 accounting frameworks as described above.

Under UK GAAP, unamortised placement fees were accounted for as prepayments, under FRS102 these balances are accounted for as intangibles; the change in presentation has had no impact on profits, net assets or cash flow.

2 OPERATING PROFIT BEFORE TAXATION

The turnover and operating profit before taxation of the Company are attributable to the principal activity of the Company, all of which was carried out in the United Kingdom.

The audit fee of £5,000 (2014 - £2,705) for the Company will be borne by Equitix Limited, who will not seek compensation from the Company.

3 DIRECTORS' REMUNERATION

No Directors received any remuneration for services rendered to the Company during the current year (2014 - £nil). The Company is managed by secondees from group undertakings under a management services agreement. A recharge of £9,400,000 has been made for services rendered during the year (2014 - £10,000,000).

4 STAFF NUMBERS

The Company had no employees during the year (2014 - nil).

EQUITIX INVESTMENT MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 December 2015

5 NET INTEREST PAYABLE

	2015 £	2014 £
Interest payable and similar charges		
Interest payable on outstanding trade creditor balances	(10,561)	(52,371)
Net interest payable	<u>(10,561)</u>	<u>(52,371)</u>

6 TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2015 £	2014 £
Taxation is based on the profit for the year and comprises:		
UK corporation tax at a rate of 20.25% (2014 - 21.50%) of taxable profit		
- Current tax	(177,144)	(114,316)
- Prior year adjustment	32,641	16,589
	<u>(144,503)</u>	<u>(97,727)</u>

Factors affecting the tax charge for the current year

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit for the year are as follows:

	2015 £	2014 £
Profit on ordinary activities before tax	921,894	531,703
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%).	(186,684)	(114,316)
Effects of:		
Group relief claimed not paid for	9,539	-
Prior year adjustment	32,641	16,589
Total current tax charge for the year	<u>(144,503)</u>	<u>(97,727)</u>

On 1 April 2016, the rate of UK corporation tax was reduced to 20%, therefore all tax charges shown above have been calculated on a blended rate of 20.25%. At the Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate (for all profits except ring fence profits) at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020.

7 DEBTORS

	2015 £	2014 £
Amounts falling due within less than one year		
Amounts owed by group undertakings	1,900,493	2,041,260
	<u>1,900,493</u>	<u>2,041,260</u>

Amounts owed by group undertakings are trading balances, do not bear interest and are repayable on demand.

8 INTANGIBLE ASSETS

	£
Cost	
At 1 January 2015	7,731,250
Additions	225,000
At 31 December 2015	<u>7,956,250</u>
Amortisation	
At 1 January 2015	5,033,306
Charge for the year	1,919,039
At 31 December 2015	<u>6,952,345</u>
Carrying amount	
At 31 December 2015	<u>1,003,905</u>
At 31 December 2014	<u>2,697,944</u>

Balances relating to the unamortised cost of placement fees above have been reclassified from prepayments (under United Kingdom Generally Accepted Accounting Policies) to intangible assets (under Financial Reporting Standards 102). The basis upon which these values have been calculated remains consistent across both approaches.

Included within total prepayments are amounts that have been incurred under placement agreements with Evercore Partners LLP and Palmer Capital LLP. These amounts have been capitalised and amortised over the investment period of each corresponding Fund, typically 5 years from first close.

The increase in amounts amortised through the income statement during the year is a direct result of capital raised in Equitix Fund IV LP during the year.

EQUITIX INVESTMENT MANAGEMENT LIMITED

Notes to the financial statements for the year ended 31 December 2015

9 CREDITORS

	2015 £	2014 £
Amounts falling due within one year		
Trade creditors	(401,135)	(691,771)
Accruals	(480,194)	(818,933)
Corporation tax creditor	(177,145)	(233,323)
Amounts owing to group undertaking	<u>(519,542)</u>	<u>(2,475,109)</u>
	<u>(1,578,015)</u>	<u>(4,219,136)</u>
 Amounts falling due after one year		
Trade creditors	<u>(128,570)</u>	-
	<u>(128,570)</u>	-

Placement fee liabilities incurred in relation Equitix Fund III LP, included within trade creditors will be settled in five semi-annual instalments from the date of each close.

Placement fee liabilities incurred in relation to Equitix Fund IV LP, included within trade creditors will be settled in seven semi-annual instalments from the date of each close.

Interest is charged on outstanding placement fee balances relating to Equitix Fund III LP, and Equitix Fund IV LP, until the contracted settlement date at an annual rate of 5% and 3% respectively, and is presented in accruals above.

Amounts owing to group undertakings comprise trade balances held with Equitix Finance Limited, a fellow group undertaking. This balance does not bear interest and is repayable on demand.

10 CALLED UP SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid:		
1,000,000 Ordinary Shares at £0.01 each	<u>10,000</u>	<u>10,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. There are no associated rights or preferences relating to the Ordinary Shares.

11 TRANSACTIONS WITH RELATED PARTIES

As a 100% subsidiary of Equitix Holdings Limited, the Company has taken advantage of the Qualifying Entity exemption under FRS 102 not to provide information on related party transactions with other undertakings or key management remuneration within the Equitix Holdings Limited group. Note 12 gives details of how to obtain a copy of the published financial statements of Equitix Holdings Limited.

12 ULTIMATE PARENT

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

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

Notes to the financial statements for the year ended 31 December 2015

13 FINANCIAL RISK MANAGEMENT

Market risk

The Company's activities expose it partially to certain market risks including strategies seeking to cap the returns that investors generate from infrastructure projects that affect investor returns for the Funds under the Company's management.

The Company mitigates this risk by assessing the impact of these strategies on each investment before it is acquired by the Funds, ensuring that the minimum return that can be made on each investment satisfies the investment needs of the Fund investors.

The Company is also partially exposed to market risks including a lack of suitable deal flow generated by primary projects coming to market in the UK.

The Company mitigates this risk by constantly maintaining awareness of alternative markets including non-government supported infrastructure and non-UK investment opportunities. These new markets are assessed carefully by the Company to ensure that a shift in the market focus of the Funds still satisfies the needs of Fund investors.

Interest rate risk management

The Company's sole source of funding comes in the form of an intercompany loan with Equitix Finance Limited, a fellow group undertaking. The loan does not attract any interest and can be called by Equitix Finance Limited on demand.

The directors have considered this loan and deem that in light of the continuing support from Equitix Holdings Limited, the Company's immediate parent company, that it is able to meet the demands of this loan with Equitix Finance Limited and need not seek any alternative form of capital facility.

Interest rate sensitivity analysis

The Company has no exposure to interest rate risk as its loan with Equitix Finance Limited does not bear interest.

Credit risk management

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

The Company only transacts with unregulated collective investment schemes authorised and regulated by the FCA (UK). Rigorous testing is performed on every new investor to the Fund to limit the risk of counterparty default in respect of investments that the Company offers to Fund II, Fund III, Fund IV, MA Fund, ESI LP and EEEF LP. The Company also limits its receivables to these counterparties to mitigate the risk of counterparty default resulting in financial loss to the Company.

Investment management fees are charged semi-annually in advance based on the value of drawdown invested funds, this income is received within 10 business days of the Company, acting as Manager, issuing a draw down notice to all fund partners.