

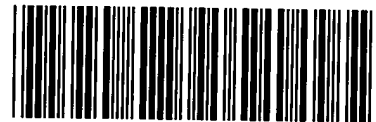
Registration number: 6335776

Semperian PPP Investment Partners Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2016

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Semperian PPP Investment Partners Limited

Contents

Company Information	1
Strategic Report for the Year Ended 31 March 2016	2
Directors' Report for the Year Ended 31 March 2016	3 to 4
Independent Auditors' Report to the members of Semperian PPP Investment Partners Limited	5 to 6
Profit and Loss Account for the Year Ended 31 March 2016	7
Statement of Comprehensive Income for the Year Ended 31 March 2016	7
Balance Sheet as at 31 March 2016	8
Statement of Changes in Equity for the Year Ended 31 March 2016	9
Notes to the Financial Statements for the Year Ended 31 March 2016	10 to 33

Semperian PPP Investment Partners Limited

Company Information

Directors	J M Simpson A E Birch A C M Rhodes
Company secretary	M Saunders
Registered office	Third Floor Broad Quay House Prince Street Bristol BS1 4DJ
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR

Semperian PPP Investment Partners Limited
Strategic Report for the Year Ended 31 March 2016

The Directors present their strategic report for the year ended 31 March 2016.

Principal activity

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

Results and review of business

The loss for the year is set out in the profit and loss account on page 7. The company has continued to receive income from its subsidiaries and the directors are satisfied that the company's investments are performing in line with the directors' long term expectations. Accordingly, the carrying value of investments, as shown in the balance sheet, remains supportable, and the prospects for the future are considered to be satisfactory.

Principal risks and uncertainties

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

Key performance indicators ('KPIs')

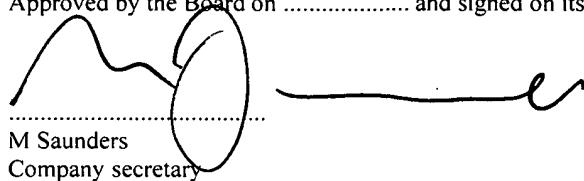
Given the nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014.

The key impact on the financial statements was the recognition of derivative financial instruments at fair value, together with deferred tax thereon.

Approved by the Board on **13 SEP 2016** and signed on its behalf by:


.....
M Saunders
Company secretary

13 SEP 2016

Semperian PPP Investment Partners Limited

Directors' Report for the Year Ended 31 March 2016

Registration number: 6335776

The Directors present their report and the audited financial statements for the year ended 31 March 2016.

Future developments

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

Dividends

No dividend was paid during the year (2015: £nil, £nil per ordinary share).

Financial risk management

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

Directors of the Company

The directors who held office during the year were as follows:

J M Simpson

A E Birch

A C M Rhodes

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, 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 the Directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102).

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 accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; 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.

Semperian PPP Investment Partners Limited

Directors' Report for the Year Ended 31 March 2016 (continued)

Going concern

The company is in a net liability position. Accordingly, the directors have made an assessment as to the entity's ability to continue on a going concern basis.

The directors have reviewed the company's projected profits and cash flows by reference to a financial model. Having examined the current status of the company's fixed asset investments and likely developments in the foreseeable future, and taking into account the ability of its fixed asset investments to pay dividends, interest and other fees, if required, the directors of the company have a reasonable expectation that the company will be able to settle its liabilities as they fall due and accordingly the financial statements have been prepared on a going concern basis.

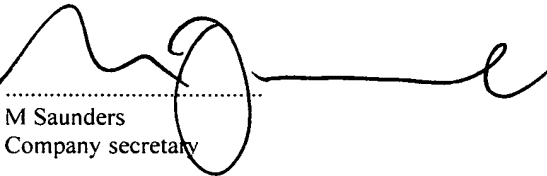
Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

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

Approved by the Board on **13 SEP 2016** and signed on its behalf by:



M Saunders
Company secretary

13 SEP 2016

Semperian PPP Investment Partners Limited

Independent Auditors' Report to the members of Semperian PPP Investment Partners Limited

Report on the financial statements

Our opinion

In our opinion, Semperian PPP Investment Partners Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 March 2016;
- the Profit and Loss Account and Statement of Comprehensive Income for the year then ended; and
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Semperian PPP Investment Partners Limited

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves


We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.



.....
Katharine Finn (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

Date: 15 September 2016

Semperian PPP Investment Partners Limited

Profit and Loss Account for the Year Ended 31 March 2016

	Note	2016 £ 000	2015 £ 000
Turnover	4	8,004	8,069
Administrative expenses		<u>(11,894)</u>	<u>(529)</u>
Operating (loss)/profit	5	(3,890)	7,540
Net loss on derivative financial instruments	19	(1,785)	(4,592)
Interest receivable and similar income	6	59,632	56,940
Interest payable and similar charges	7	<u>(74,751)</u>	<u>(70,268)</u>
Loss on ordinary activities before taxation		(20,794)	(10,380)
Taxation	8	<u>813</u>	<u>2,994</u>
Loss for the financial year		<u><u>(19,981)</u></u>	<u><u>(7,386)</u></u>

The above results were derived from continuing operations.

Statement of Comprehensive Income for the Year Ended 31 March 2016

	Note	2016 £ 000	2015 £ 000
Loss for the year		<u>(19,981)</u>	<u>(7,386)</u>
Other comprehensive income:			
Change in value of hedging instrument		(28,518)	(114,971)
Reclassifications to profit and loss		26,369	26,437
Deferred tax arising on unrealised gain/(loss) on cash flow hedges	8	<u>(4,461)</u>	<u>17,707</u>
Other comprehensive income for the year, net of tax		<u>(6,610)</u>	<u>(70,827)</u>
Total comprehensive income for the year		<u><u>(26,591)</u></u>	<u><u>(78,213)</u></u>

The notes on pages 10 to 33 form an integral part of these financial statements.

Semperian PPP Investment Partners Limited

Balance Sheet as at 31 March 2016

	Note	2016 £ 000	2015 £ 000
Fixed assets			
Investments	9	1,034,337	1,032,068
Current assets			
Debtors: Amounts falling due within one year	10	51,753	51,047
Debtors: Amounts falling due after more than one year	11	46,995	51,502
Cash at bank and in hand	13	<u>31,818</u>	<u>42,038</u>
		130,566	144,587
Creditors: Amounts falling due within one year	14	<u>(40,024)</u>	<u>(37,823)</u>
Net current assets		<u>90,542</u>	<u>106,764</u>
Total assets less current liabilities		1,124,879	1,138,832
Creditors: Amounts falling due after more than one year	14	<u>(1,435,501)</u>	<u>(1,422,863)</u>
Net liabilities		<u>(310,622)</u>	<u>(284,031)</u>
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account		(110,080)	(90,099)
Cash flow hedge reserve		<u>(200,542)</u>	<u>(193,932)</u>
Total equity		<u>(310,622)</u>	<u>(284,031)</u>

13 SEP 2016

Approved and authorised by the Board on and signed on its behalf by:



J M Simpson
Director

The notes on pages 10 to 33 form an integral part of these financial statements.

Semperian PPP Investment Partners Limited

Statement of Changes in Equity for the Year Ended 31 March 2016

	Share capital £ 000	Profit and loss account £ 000	Cash flow hedge reserve £ 000	Total equity £ 000
At 1 April 2014	-	(82,713)	(123,105)	(205,818)
Loss for the year	-	(7,386)	-	(7,386)
Other comprehensive income	-	-	(70,827)	(70,827)
Total comprehensive income	-	(7,386)	(70,827)	(78,213)
At 31 March 2015	-	(90,099)	(193,932)	(284,031)

	Share capital £ 000	Profit and loss account £ 000	Cash flow hedge reserve £ 000	Total equity £ 000
At 1 April 2015	-	(90,099)	(193,932)	(284,031)
Loss for the year	-	(19,981)	-	(19,981)
Other comprehensive income	-	-	(6,610)	(6,610)
Total comprehensive income	-	(19,981)	(6,610)	(26,591)
At 31 March 2016	-	(110,080)	(200,542)	(310,622)

The notes on pages 10 to 33 form an integral part of these financial statements.

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016

1. General information

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

The company is a private company limited by shares and is incorporated and domiciled in England.

The address of its registered office is:

Third Floor
Broad Quay House
Prince Street
Bristol
BS1 4DJ

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

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

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

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

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

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

2 Accounting policies (continued)

Going concern

The company is in a net liability position. Accordingly, the directors have made an assessment as to the entity's ability to continue on a going concern basis.

The directors have reviewed the company's projected profits and cash flows by reference to a financial model. Having examined the current status of the company's fixed asset investments and likely developments in the foreseeable future, and taking into account of the ability of its fixed asset investments to pay dividends, interest and other fees, if required, the directors of the company have a reasonable expectation that the company will be able to settle its liabilities as they fall due and accordingly the financial statements have been prepared on a going concern basis.

Turnover

Turnover includes management charges receivable from group undertakings, recognised on an accruals basis.

Foreign currency transactions and balances

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rates ruling at the balance sheet date and any exchange differences arising are taken to the profit and loss account.

Tax

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

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

Investments

Investments in equity and subordinated loan notes are held as fixed assets and are stated at cost less an appropriate provision to reflect any impairment in the value of the investments. Premiums and discounts on subordinated loan note investments have been amortised over the life of the loan to give a constant effective finance rate. Repayments of loans have been disclosed as disposals of fixed asset investments. Any other impairment of fixed assets is reflected as impairment charges. Where an equity investment has fixed return the premium paid for the equity has been amortised in proportion to the actual dividends to total dividends.

Impairment

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

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

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Financial Instruments

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

(i) Financial assets

Basic financial assets, including trade and other receivables, finance debtors, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

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

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

2 Accounting policies (continued)

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

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(iv) Derivatives and Hedging arrangements

Derivatives, which may include interest rate swaps and RPI swaps, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate, unless they are included in hedging arrangements.

The company applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the profit and loss account.

The gain or loss recognised in other comprehensive income is reclassified to the profit and loss account in the same period in which the hedged transaction is recognised in the profit and loss account or when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

Share capital

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

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. These exemptions are:

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

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

3 Critical accounting judgements and estimation uncertainty

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

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

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

Impairment of investments

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

Treatment and Measurement of derivatives

The directors have adopted a policy of cash flow hedge accounting for derivative financial instruments and have assessed that the company's interest rate swaps meet the criteria for hedge accounting under FRS 102. This allows unrealised gains and losses to be deferred in a cash flow hedge reserve and only recognised through the profit and loss account at the same time as the hedged cash flows.

The derivative financial instruments are recognised at fair value. The measurement of fair value is based on estimates of future market interest and inflation rates and will therefore be subject to change. The company has used a third party expert to assist with valuing such instruments.

Taxation

The assessment of the tax charge may include uncertain tax positions where the tax treatment has not yet been agreed with the taxation authorities. Management make an estimate of the taxation charge for the period and the value of balances, with reference to legislation, discussions with taxation authorities, advice from taxation advisors, and the determination of similar taxation cases.

Deferred tax is recognised at tax rates that are expected to be applicable when the timing differences reverse, to the extent that such rates have been substantially enacted. Given the phased reduction in future tax rates in the UK, the deferred tax asset or liability recognised is therefore dependent upon an estimate of the timing of such reversals.

4 Turnover

The company has been engaged solely in continuing activities in a single class of business within the United Kingdom.

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

5 Operating (loss)/profit

The company had no employees, other than the directors, during the year (2015: none). The emoluments of the directors are paid by the controlling parties. The directors services to this company and to a number of fellow group companies are primarily of a non executive nature and their emoluments are deemed to be wholly attributable to the controlling parties. The controlling parties charged £nil (2015: £nil) to the company in respect of these services.

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

6 Interest receivable and similar income

	2016 £ 000	2015 £ 000
Interest income on subordinated debt	56,306	52,754
Interest income on bank deposits	60	84
Other finance income	3,266	4,102
	<u>59,632</u>	<u>56,940</u>

7 Interest payable and similar charges

	2016 £ 000	2015 £ 000
Interest on bank borrowings	11,957	10,835
Interest rate swap costs	27,783	27,807
Other finance costs	119	-
Interest payable on loans from group undertakings	34,892	31,626
	<u>74,751</u>	<u>70,268</u>

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

8 Taxation

(a) Tax expense included in profit or loss

	2016 £ 000	2015 £ 000
Current taxation		
UK corporation tax	(402)	(1,260)
UK corporation tax adjustment to prior periods	(310)	(816)
	<u>(712)</u>	<u>(2,076)</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(321)	(918)
Arising from changes in tax rates and laws	220	-
Total deferred taxation	<u>(101)</u>	<u>(918)</u>
Tax on loss on ordinary activities	<u>(813)</u>	<u>(2,994)</u>

(b) Tax relating to items recognised in other comprehensive income or equity

	2016 £ 000	2015 £ 000
Deferred tax		
Arising from origination and reversal of timing differences	(387)	(17,707)
Arising from changes in tax rates and laws	4,848	-
Total tax expense/(income) included in other comprehensive income	<u>4,461</u>	<u>(17,707)</u>

(c) Reconciliation of tax charge

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2015: lower than the standard rate of corporation tax in the UK) of 20% (2015: 21%).

The differences are reconciled below:

	2016 £ 000	2015 £ 000
Loss before tax	<u>(20,794)</u>	<u>(10,380)</u>
Corporation tax at standard rate	(4,159)	(2,180)
Expenses not deductible for tax purposes	-	32
Adjustments to tax charge in respect of prior years	(310)	(816)
Re-measurement of deferred tax - change in UK tax rates	256	(30)
Increase (decrease) from tax losses for which no deferred tax asset was recognised	<u>3,400</u>	<u>-</u>
Total tax credit	<u>(813)</u>	<u>(2,994)</u>

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

8 Taxation (continued)

(d) Tax rate changes

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015.

As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements. The overall effect of that change, if it had applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax asset by an additional £2,591,000.

9 Investments

	Equity Investments	Subordinated Loan Notes	Total
	£ 000	£ 000	£ 000
Cost:			
At 1 April 2015	37,577	999,181	1,036,758
Additions	-	6,605	6,605
Repayments	-	(3,621)	(3,621)
At 31 March 2016	37,577	1,002,165	1,039,742
Accumulated Impairment / amortisation:			
At 1 April 2015	-	(4,690)	(4,690)
Amortisation charges	-	(715)	(715)
At 31 March 2016	-	(5,405)	(5,405)
Net book value:			
At 31 March 2016	37,577	996,760	1,034,337
At 31 March 2015	37,577	994,491	1,032,068

A full list of subsidiaries and related undertakings is shown in note 21.

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

10 Debtors: Amounts falling due within one year

	2016 £ 000	2015 £ 000
Trade debtors	21	86
Amounts owed by group undertakings	50,195	47,106
Other debtors	39	63
Group relief receivable	1,498	3,792
	<u>51,753</u>	<u>51,047</u>

11 Debtors: Amounts falling due after more than one year

	2016 £ 000	2015 £ 000
Group relief receivable	363	510
Deferred tax assets	46,632	50,992
	<u>46,995</u>	<u>51,502</u>

12 Deferred tax asset

	Deferred tax £ 000
At 1 April 2015	50,992
Additions dealt with in profit or loss	101
Additions dealt with in other comprehensive income	(4,461)
At 31 March 2016	<u>46,632</u>

The provision for deferred tax consists of the following deferred tax assets:

	2016 £ 000	2015 £ 000
Fair value movements on financial instruments	<u>46,632</u>	<u>50,992</u>

13 Cash and cash equivalents

	2016 £ 000	2015 £ 000
Cash at bank	<u>31,818</u>	<u>42,038</u>

At 31 March 2016, the company had a total of £1,559 (2015: £2,526,116) held and placed on deposit on its behalf by Semperian PPP Investment Partners Group Limited.

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

14 Creditors

	Note	2016 £ 000	2015 £ 000
Due within one year			
Senior debt	15	6,059	4,875
Amounts owed to group undertakings		21,041	20,357
Other taxation and social security		208	218
Accruals		6,756	6,770
Group relief		5,960	5,603
		<u>40,024</u>	<u>37,823</u>
Due after one year			
Senior debt	15	641,539	602,362
Subordinated debt	15	536,604	567,076
Derivative financial instruments	19	257,358	253,425
		<u>1,435,501</u>	<u>1,422,863</u>

Shareholder loans

The total shareholder loans of £2,934,310 (2015: £1,749,310) are included within Amounts owed to group undertakings.

On 31 March 2011, the company entered into a £650,000 shareholder loan agreement facility with Danetre PFI Project Company Limited. The balance at the end of the year was £554,938 (2015: £554,938) and the loan was due for repayment on 31 March 2016 with interest charged at the United Kingdom 12 month LIBOR. At 31 March 2016 the loan was redrawn for a period of 12 months to 31 March 2017.

On 27 September 2011, the company entered into a £350,000 shareholder loan agreement facility with Epping PPP Maintenance (Health) Services Limited. The balance at the end of the year was £144,372 (2015: £194,372) and the loan is due for repayment on 30 September 2016 with interest charged at the United Kingdom 12 month LIBOR.

On 29 June 2015, the company entered into a £1,235,000 shareholder loan agreement facility with Semperian (Community Health) Grosvenor Limited. The balance at the end of the year was £1,235,000 (2015: £nil) and the loan is due for repayment on 29 June 2016 with interest charged at the United Kingdom 12 month LIBOR.

15 Loans and borrowings

	2016 £ 000	2015 £ 000
Loans and borrowings falling due within one year		
Senior debt	<u>6,059</u>	<u>4,875</u>

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

15 Loans and borrowings (continued)

	2016 £ 000	2015 £ 000
Loans and borrowings falling due between one and five years		
Senior debt	<u>47,715</u>	<u>43,238</u>
	2016 £ 000	2015 £ 000
Loans and borrowings falling due after more than five years		
Senior debt	593,824	559,124
Subordinated debt	<u>536,604</u>	<u>567,076</u>
	<u>1,130,428</u>	<u>1,126,200</u>

Loan facilities

A multicurrency term and letter of credit facility agreement was entered into on 9 November 2007 jointly (50% each) with Bank of Scotland plc and Lloyds TSB Bank plc, borrowings from which were used to leverage the Group. The sterling loan bears interest at LIBOR payable at quarterly intervals. During the year, a re-financing exercise took place resulting in £50,000,000 being split out and paying a fixed rate of interest of 4.088% and an additional £50,000,000 term loan facility agreement was entered into on 28 August 2015, of which £39,600,000 was drawn down on 9 March 2016. At 31 March 2016, the balance of these facilities outstanding, including amortised loan costs, was £543,206,795 (2015: £504,517,814). The loans are due to be repaid by 31 March 2035.

The Euro facility bears interest at EURIBOR payable at quarterly intervals. Following re-financing the first repayment will commence 31 March 2018 and is due to be repaid by 31 March 2035. At 31 March 2016, the balance of this facility outstanding was £57,907,439 (2015: £52,862,536).

On 8 January 2009, the company entered into a £50,000,000 term loan facility agreement with Land Securities Property Holdings Limited that was drawn down in full on 12 January 2009. This loan was paid back in full on 5 May 2015 and a new £50,000,000 term loan facility agreement was entered into and drawn down in full on the same date. This loan is due for repayment beginning 31 March 2018 with final repayment due 31 March 2035. Interest is charged at LIBOR plus 2%. At 31 March 2016, the balance of this facility outstanding was £50,000,000 (2015: £49,961,200).

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

15 Loans and borrowings (continued)

Subordinated debt

On 14 December 2007, the company entered into a 7.25% coupon loan facility with Semperian PPP Investment Partners Holdings Limited, with a total available facility of £345,000,000, subsequently increased to £400,000,000 on 16 October 2009. On 31 March 2010, Semperian PPP Investment Partners Holdings Limited assigned this loan investment to Semperian PPP Investment Partners Group Limited. On 16 November 2015, there was a drawdown of £7,000,000. At 31 March 2016, the balance of this facility outstanding was £399,504,018 (2015: £392,504,018).

On 14 December 2007, the company entered into a zero coupon loan facility with Semperian PPP Investment Partners Holdings Limited, with a total available facility of £230,000,000, subsequently increased to £400,000,000 on 16 October 2009. On 31 March 2010, Semperian PPP Investment Partners Holdings Limited assigned this loan investment to Semperian PPP Investment Partners Group Limited. At 31 March 2016, the balance of this facility outstanding was £130,358,399 (2015: £169,818,044), after repayments of £39,459,647 (2015: £22,926,791) were made during the year.

On 1 April 2009, the company entered into a Euro loan agreement with Semperian PPP Investment Partners No 2 Limited, with a total available facility of €8,000,000. This loan is due for repayment by 31 March 2035 and interest is charged at UK base rate plus 1.5%. At 31 March 2016, the balance of this facility outstanding was £5,207,673 (2015: £4,753,980). Euro drawdowns from this facility during the year amounted to €nil (2015: €nil) and there were no repayments (2015: €nil).

16 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

17 Commitments

As at 31 March 2016 the company had commitments to the value of £11.1m (2015: £11.1m).

The company has issued letters of credit to cover individual obligations and guarantees. Details of the obligations and guarantees of the Group are shown below:

- A guarantee to cover the debt service reserve obligation to the value of £0.6m (2015: £0.6m) on the Gloucester project to design, construct, finance and operate hospital facilities at the Gloucestershire Royal Hospital.
- Guarantees to cover the debt service reserve obligation to the value of £6.0m (2015: £6.0m) on the A1 road project to design, build, upgrade, finance and operate with the Secretary of State for Transport, a section of the A1 (M) in Yorkshire.
- An obligation to cover group relief payments between 2017 and 2019 to the value of £4.5m (2015: £4.5m) on the UCLH project.

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

18 Related party transactions

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

19 Financial instruments

Fair value of derivatives used for hedging in the Balance Sheet

	Note	2016 £ 000	2015 £ 000
Creditors: due after one year - Fair value of swaps	14	(257,358)	(253,425)
Net Fair value of swaps in the Balance Sheet		<u>(257,358)</u>	<u>(253,425)</u>

Movement in Fair value of derivatives used for hedging

	2016 £ 000	2015 £ 000
Recognised through the Profit and Loss Account	(1,785)	(4,592)
Recognised through Other Comprehensive Income	(2,149)	(88,534)
	<u>(3,934)</u>	<u>(93,126)</u>

The company has entered into nine sterling interest rate swaps to receive interest at LIBOR and pay interest at a rate of between 3.825% and 5.363%. The swaps are based on a total original principal amount of £557,000,000, which reduces in line with the principal amount of the company's sterling Senior loan facilities, and matures between 2033 and 2035.

The instruments are used to hedge the company's exposure to interest rate movements on the Senior loan facility. The fair value of the interest rate swaps are £230,097,817 (2015: £226,228,048). During the year, as part of the re-financing, £50,000,000 of the Senior loan facility became fixed rate. Within the total fair value of the interest rate swaps £12,794,164 relates to an interest rate swap based on the principal of £50,000,000 and hedge accounting on this instrument has ceased.

The company has entered into a euro interest rate swap to receive interest at LIBOR and pay interest at a fixed 4.66%. The swap is based on an original principal amount of €73,178,000, which reduces in line with the principal amount of the company's euro Senior loan facilities, and matures in 2035.

The instrument is used to hedge the company's exposure to interest rate movements on the Senior loan facility. The fair value of the interest rate swap is £27,260,308 (2015: £27,196,572).

Cash flows on both euro and sterling loans and interest rate swaps are paid quarterly until 2035. During the year, a hedging loss of £28,517,234 (2015: £114,971,083) was recognised in other comprehensive income for changes in the fair value of the interest rate swap and £26,368,679 (2015: £26,436,425) was reclassified from the hedge reserve to profit and loss within interest payable.

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

20 Parent and ultimate parent undertaking

The company's immediate parent is Semperian PPP Investment Partners Group Limited, incorporated in England and Wales.

The ultimate parent and controlling party is Semperian PPP Investment Partners Holdings Limited, incorporated in Jersey. The smallest group and largest group to consolidate these financial statements is Semperian PPP Investment Partners Holdings Limited.

These financial statements are available upon request from the Company Secretary at Third Floor, Broad Quay House, Prince Street, Bristol, BS1 4DJ.

21 Subsidiary and related undertakings

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

Direct investment undertakings	Activities	Percentage of ordinary shares held
PFI Investments Limited	Holding company	100%
Semperian (Community Health) Limited	Holding company	100%
Semperian PPP Investment Partners No.2 Limited	Holding company	100%
Indirect investment undertakings	Activities	Percentage of ordinary shares held
Birmingham Healthcare Services (Holdings) Limited	Holding company	100%
Birmingham Healthcare Services Limited	PPP Investment company	100%
Brighton & Hove City Schools Services (Holdings) Limited	Holding company	100%
Brighton & Hove City Schools Services Limited	PPP Investment company	100%
Chiltern Securities Limited	Holding company	100%
Abergavenny Facilities Limited	PPP Investment company	100%
Marlborough Facilities Limited	PPP Investment company	100%

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

21 Subsidiary and related undertakings (continued)

Indirect investment undertakings	Activities	Percentage of ordinary shares held
Monmouth Facilities Limited	PPP Investment company	100%
NK Facilities Limited	PPP Investment company	100%
Redruth Facilities Limited	PPP Investment company	100%
Withernsea Facilities Limited	PPP Investment company	100%
Defence Training Services Limited	PPP Investment company	50.00%
Dundalk PPP Infrastructure Ireland	Holding company	100%
Richmond upon Thames Schools Services (Holdings) Limited	Holding company	100%
Richmond upon Thames Schools Services Limited	PPP Investment company	100%
Cruciform Services Limited	PPP Investment company	100%
Schools Investment Company Limited	PPP Investment company	100%
Sunderland CLC Schools Investment Company Limited	Holding company	100%
Sunderland CLC School Services Limited	PPP Investment company	100%
Torbay Schools Services Limited	PPP Investment company	100%
XJ4 Holding Company Limited	Holding company	100%
Eccles Special High Schools Company Limited	PPP Investment company	100%
Kirklees Schools Services Limited	PPP Investment company	90.15%
Liverpool Schools Services Limited	PPP Investment company	100%
Wirral Schools Services Limited	PPP Investment company	100%
XJ6 Schools Holdings Limited	Holding company	100%
Bridlington Schools Services Limited	PPP Investment company	100%
Debden Schools Services Limited	PPP Investment company	100%
Kenton School Services Limited	PPP Investment company	100%
Intermediate Care Limited	Holding company	100%
RBIL Limited	Holding company	100%
Bexley PPP Health Services Limited	PPP Investment company	100%
Black Country PPP Health Services Limited	PPP Investment company	100%
Epping PPP Maintenance (Health) Services Limited	PPP Investment company	100%
First Priorities PPP Health Services Limited	PPP Investment company	100%
Hertford PPP Health Services Limited	PPP Investment company	100%
Herts & Essex PPP Health Services Limited	PPP Investment company	100%
Liskeard PPP Health Services Limited	PPP Investment company	100%
New Forest PPP Health Services Limited	PPP Investment company	100%

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

21 Subsidiary and related undertakings (continued)

Indirect investment undertakings	Activities	Percentage of ordinary shares held
Redbridge PPP Health Services Limited	PPP Investment company	100%
South Essex PPP Health Services Limited	PPP Investment company	100%
West Mendip PPP Health Services Limited	PPP Investment company	100%
RBIL Group Limited	Holding company	100%
Semperian (Community Health) Grosvenor Limited	Holding company	100%
Grosvenor PPP Holdings Limited	Holding company	100%
GH Clayhill Holdings Limited	Holding Company	100%
GH Clayhill Limited	PPP Investment company	100%
GH Gravesham Holdings Limited	Holding company	100%
GH Gravesham Limited	PPP Investment company	100%
GH North Northampton Holdings Limited	Holding company	100%
GH North Northampton Limited	PPP Investment company	100%
GH Rotherham Limited	PPP Investment company	100%
GH Stone House Holdings Limited	Holding company	100%
GH Stone House Limited	PPP Investment company	100%
3 ED Holdings Limited	Holding company	31%
3 ED Holdings 2 Limited	Holding company	31%
3 ED Sisterco Limited	Holding company	31%
A1 PPP Infrastructure Holdings Limited	Holding company	100%
Road Management Services (Darrington) Holdings Limited	Holding company	50%
API Holdco Limited	Holding company	100%
Agecroft Properties (No.2) Limited	PPP Investment company	100%
Arteos GP Limited	Holding company	100%
Baglan Moor Healthcare Holdings Limited	Holding company	100%
Baglan Moor Healthcare plc	PPP Investment company	100%
Bandbreeze Limited	Holding company	100%
LBS (Fire Services) Limited	PPP Investment company	100%
BWP Services (Holdings No 1) Limited	Holding company	100%
BWP Services (Holdings No 2) Limited	Holding company	100%
BWP Project Services Limited	PPP Investment company	100%
Community Health Facilities (Holdings) Limited	Holding company	100%
Community Health Facilities (Oxford) Limited	PPP Investment company	100%

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

21 Subsidiary and related undertakings (continued)

Indirect investment undertakings	Activities	Percentage of ordinary shares held
D4E Mulberry (Holdings) Limited	Holding company	30%
D4E Mulberry Limited	PPP Investment company	30%
Endeavour SCH Holdings Limited	Holding company	43.83%
Endeavour SCH PLC	PPP Investment company	43.83%
ESP (Holdings) Limited	Holding company	32.86%
The Edinburgh Schools Partnership Limited	PPP Investment company	32.86%
Facilities Management Solutions Limited	PPP Investment company	100%
Falkirk Group Limited	Holding company	100%
Falkirk Schools Partnership Limited	Holding company	100%
Class 06 Limited	Holding company	100%
Class 98 Limited	PPP Investment company	100%
G4S Investments Limited	Holding company	83.22%
G4S Joint Ventures Limited	Holding company	83.22%
Accommodation Services (Holdings) Limited	Holding company	41.61%
Integrated Accommodation Services plc	PPP Investment company	41.61%
Albion Healthcare (Oxford) Holdings Limited	Holding company	20.81%
Albion Healthcare (Oxford) Limited	PPP Investment company	20.81%
East London Lift Investments Limited	PPP Investment company	41.61%
East London Lift Company Limited	PPP Investment company	24.97%
East London Lift Accommodation Services Limited	PPP Investment company	24.97%
East London Lift Holdco No2 Limited	Holding company	24.97%
East London Lift Accommodation Services No2 Limited	PPP Investment company	24.97%
East London Lift Holdco No3 Limited	Holding company	24.97%
Ellas No3 Limited	PPP Investment company	24.97%
East London Lift Holdco No4 Limited	Holding company	24.97%
Ellas No4 Limited	PPP Investment company	24.97%
Education Care And Discipline Limited	PPP Investment company	83.22%
ECD (Cookham Wood) Limited	PPP Investment company	83.22%
Education Care And Discipline Three Limited	Holding company	83.22%
ECD (Onley) Limited	PPP Investment company	83.22%
G4S Joint Ventures (Fazakerley) Limited	PPP Investment company	83.22%
Fazakerley Prison Services Limited	PPP Investment company	83.22%

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

21 Subsidiary and related undertakings (continued)

Indirect investment undertakings	Activities	Percentage of ordinary shares held
G4S Joint Ventures (Onley) Limited	Holding company	83.22%
Onley Prison Services Limited	PPP Investment company	83.22%
Healthcare Providers Limited	Holding company	83.22%
Hull Maternity Development Limited	PPP Investment company	83.22%
North Wiltshire Schools Limited	Holding company	83.22%
White Horse Education Partnership Limited	PPP Investment company	83.22%
UK Court Services (Manchester) Holdings Limited	Holding company	83.22%
UK Court Services (Manchester) Limited	PPP Investment company	83.22%
G4S IP 2 Limited	Holding company	100%
Semperian Leicester BSF Limited	Holding company	100%
Semperian Leicester PSP Limited	Holding company	100%
Leicester BSF Holdings Company 1 Limited	Holding company	100%
Leicester BSF Company 1 Limited	PPP Investment company	100%
Leicester BSF Holdings Company 2 Limited	Holding company	100%
Leicester BSF Company 2 Limited	PPP Investment company	100%
Haringey Schools Services Limited	PPP Investment company	100%
Healthcare Providers (Gloucester) Limited	PPP Investment company	50%
Gloucester Healthcare Partnership Limited	PPP Investment company	50%
Mercia Healthcare (Holdings) Limited	Holding company	75%
Mercia Healthcare Limited	PPP Investment company	75%
Newcastle Estate Partnership Holdings Limited	Holding company	100%
The Newcastle Estate Partnership Limited	PPP Investment company	100%
Octagon Healthcare Group Limited	Holding company	26.32%
Octagon Healthcare Funding PLC	Holding company	26.32%
Octagon Healthcare Holdings (Norwich) Limited	Holding company	26.32%
Octagon Healthcare Limited	PPP Investment company	26.32%
Priorgate Holdings Limited	Holding company	100%
Priorgate Limited	PPP Investment company	100%
RICLAB Limited	PPP Investment company	100%
Semperian (St.David's) Limited	Holding company	100%
IMC St.David's Ltd	PPP Investment company	66.67%
Semperian (Wolverhampton) Limited	Holding company	100%

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

21 Subsidiary and related undertakings (continued)

Indirect investment undertakings	Activities	Percentage of ordinary shares held
Impregilo Wolverhampton Limited	PPP Investment company	100%
Semperian Health Services Limited	Holding company	100%
Semperian Health Projects Limited	Holding company	100%
Albion Healthcare (Doncaster) Holdings Limited	Holding company	50%
Albion Healthcare (Doncaster) Limited	PPP Investment company	50%
Danetre PFI Holding Company Limited	Holding company	100%
Danetre PFI Project Company Limited	PPP Investment company	100%
Walkergate PFI Holding Company Limited	Holding company	100%
Walkergate PFI Project Company Limited	PPP Investment company	100%
Semperian Holdco Limited	Holding company	100%
Semperian Borrowerco Limited	Holding company	100%
Semperian No. 21 Limited	Holding company	100%
Semperian PPP Holdings Limited	Holding company	100%
InspirED Education (East Dunbartonshire) Holdings Limited	Holding company	50%
InspirED Education (East Dunbartonshire) Limited	PPP Investment company	50%
InspirED Education (South Lanarkshire) Holdings Limited	Holding company	42.50%
InspirED Education (South Lanarkshire) PLC	PPP Investment company	42.50%
UCLH Investors Limited	PPP Investment company	20%
Health Management (UCLH) Holdings Limited	Holding company	40%
Health Management (UCLH) Limited	PPP Investment company	40%
Wastewater Management Holdings Limited	Holding company	25%
Ayr Environmental Services Limited	Holding company	25%
Semperian Omega IP Holdings Limited	Dormant company	100%
Semperian Omega IP Limited	PPP Investment company	100%
Semperian PPP Newco 2 Limited	Holding company	100%
Eccles Special High Schools Holding Company Limited	Dormant company	100%
Investors in Health Limited	Dormant company	100%
Investors in the Community Group Limited	Dormant company	100%
Kirklees Schools Investment Company Limited	Dormant company	100%
Lancaster Assets Holdings Limited	Dormant company	100%
Liverpool Schools Investment Company Limited	Dormant company	100%
Semperian (Lancaster) Investments Limited	Dormant company	100%

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

21 Subsidiary and related undertakings (continued)

Indirect investment undertakings	Activities	Percentage of ordinary shares held
Semperian (Lancaster) NewCo 20 Limited	Dormant company	100%
Semperian (Lancaster) Subdebt Limited	Dormant company	100%
Semperian Education Limited	Dormant company	100%
Semperian Health Limited	Dormant company	100%
Semperian Lighting Limited	Dormant company	100%
Semperian Limited	Dormant company	100%
Semperian Newcastle Estates Limited	Dormant company	100%
Semperian Partnerships Limited	Dormant company	100%
Semperian PPP Investment Partners GP Limited	Dormant company	100%
Semperian PPP Newco 1 Limited	Dormant company	100%
Semperian PPP Newco 3 Limited	Dormant company	100%
Semperian Roads Limited	Dormant company	100%
Semperian Waste Limited	Dormant company	100%
Semperian-G4S Holdings Limited	Dormant company	100%
G4S IP GP Limited	Dormant company	100%
Semperian-G4S GP1 Limited	Dormant company	100%
Semperian-G4S GP2 Limited	Dormant company	100%
Semperian-G4S LP2 Limited	Dormant company	100%
Wirral Schools Investment Company Limited	Dormant company	100%
Semperian Smif Omega Limited	Holding company	100%
Semperian Omega Limited	Holding company	100%
Semperian Subholdings M40 Limited	Holding company	100%
UK Highways M40 (Holdings) Limited	Holding company	50%
UK Highways M40 Limited	PPP Investment company	50%
South Manchester Healthcare (Holdings) Limited	Holding company	50%
South Manchester Healthcare Limited	PPP Investment company	50%
Stafford Education Facilities Holdings Limited	Holding company	100%
Stafford Education Facilities Limited	PPP Investment company	100%
STC (Milton Keynes) Holdings Limited	Holding company	100%
STC (Milton Keynes) Limited	PPP Investment company	100%
The Hospital Company (Dartford) Holdings 2005 Limited	Holding company	70%
The Hospital Company (Dartford) Holdings Limited	Holding company	70%

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

21 Subsidiary and related undertakings (continued)

Indirect investment undertakings	Activities	Percentage of ordinary shares held
The Hospital Company (Dartford) Group Limited	Holding company	70%
The Hospital Company (Dartford) 2005 Limited	Holding company	70%
The Hospital Company (Dartford) Issuer PLC	Holding company	70%
The Hospital Company (Dartford) Limited	PPP Investment company	70%
The Hospital Company (Swindon & Marlborough) Group Limited	Holding company	100%
The Hospital Company (Swindon & Marlborough) Holdings Limited	Holding company	100%
The Hospital Company (Swindon & Marlborough) 2006 Limited	Holding company	100%
The Hospital Company (Swindon & Marlborough) Limited	PPP Investment company	100%
Town Hospitals (North Staffordshire) Holdings Limited	Holding company	100%
Town Hospitals (North Staffordshire Combined) Limited	PPP Investment company	100%
Town Hospitals (Southern General) Holdings Limited	Holding company	100%
Town Hospitals (Southern General) Limited	PPP Investment company	100%
United Healthcare (Bromley) Group Limited	Holding company	50%
United Healthcare (Bromley) Holdings Limited	Holding company	50%
United Healthcare (Bromley) Limited	PPP Investment company	50%
United Healthcare (Bromley) Services Limited	Holding company	50%
Arteos GP Limited & Co. KG (i)	PPP Investment company	100%

(i) Arteos GP Limited & Co KG is incorporated in Germany

22 Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under the UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 102 was 1 April 2014. Under UK GAAP, the company has previously shown its various income streams within turnover and the amortisation of premiums paid to acquire loans within administrative expenses. On adoption of FRS 102 the company has shown dividends from subsidiaries and interest income as separate line items within the profit and loss account, and amortisation of loan premiums is now required to be included within interest income as part of the effective interest rate on the loan investment. This change is presentational only and has had no impact on the profit for the year. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 31 March 2015 and the total equity as at 1 April 2014 and 31 March 2015 between UK GAAP as previously reported and FRS 102.

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

22 Transition to FRS 102 (continued)

Balance Sheet at 1 April 2014

	As originally reported £ 000	Remeasurement/ reclassification £ 000	As restated £ 000
Fixed assets			
Investments	1,061,920	-	1,061,920
Current assets			
Debtors: Amounts falling due within one year	56,488	(1,537)	54,951
Debtors: Amounts falling due after more than one year	4,229	32,367	36,596
Cash at bank and in hand	40,625	-	40,625
	101,342	30,830	132,172
Creditors: Amounts falling due within one year	(34,176)	-	(34,176)
Net current assets	67,166	30,830	97,996
Total assets less current liabilities	1,129,086	30,830	1,159,916
Creditors: Amounts falling due after more than one year	(1,205,436)	(160,298)	(1,365,734)
Net liabilities	(76,350)	(129,468)	(205,818)
Capital and reserves			
Retained earnings	(76,350)	(6,363)	(82,713)
Cash flow hedge reserve	-	(123,105)	(123,105)
Total equity	(76,350)	(129,468)	(205,818)

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

22 Transition to FRS 102 (continued)

Balance Sheet at 31 March 2015

	As originally reported £ 000	Remeasurement/ reclassification £ 000	As restated £ 000
Fixed assets			
Investments	1,032,068	-	1,032,068
Current assets			
Debtors: Amounts falling due within one year	52,584	(1,537)	51,047
Debtors: Amounts falling due after more than one year	510	50,992	51,502
Cash at bank and in hand	42,038	-	42,038
	95,132	49,455	144,587
Creditors: Amounts falling due within one year	(37,823)	-	(37,823)
Net current assets	57,309	49,455	106,764
Total assets less current liabilities	1,089,377	49,455	1,138,832
Creditors: Amounts falling due after more than one year	(1,169,438)	(253,425)	(1,422,863)
Net liabilities	(80,061)	(203,970)	(284,031)
Capital and reserves			
Retained earnings	(80,061)	(10,038)	(90,099)
Cash flow hedge reserve	-	(193,932)	(193,932)
Total equity	(80,061)	(203,970)	(284,031)

Semperian PPP Investment Partners Limited

Notes to the Financial Statements for the Year Ended 31 March 2016 (continued)

22 Transition to FRS 102 (continued)

Profit and Loss Account for the year ended 31 March 2015

	As originally reported £ 000	Reclassification £ 000	Remeasurement/ reclassification £ 000	As restated £ 000
Turnover	65,748	(57,679)	-	8,069
Administrative expenses	(1,352)	823	-	(529)
Operating profit/(loss)	64,396	(56,856)	-	7,540
Net loss on derivative financial instruments	-	-	(4,592)	(4,592)
Other interest receivable and similar income	84	56,856	-	56,940
Interest payable and similar charges	(70,268)	-	-	(70,268)
	(70,184)	56,856	(4,592)	(17,920)
Loss before tax	(5,788)	-	(4,592)	(10,380)
Taxation	2,077	-	917	2,994
Loss for the financial year	(3,711)	-	(3,675)	(7,386)

Derivative financial instruments - FRS 102 requires derivative financial instruments to be recognised at fair value. Previously under UK GAAP the company did not recognise these instruments in the financial statements. The adjustments including the deferred tax thereon, are shown above.