

**Semperian PPP Investment Partners Group
Limited**

**Annual report and financial statements
for the year ended 31 March 2012**

Registration number 7009647

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Semperian PPP Investment Partners Group Limited

Annual report and financial statements for the year ended 31 March 2012

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Semperian PPP Investment Partners Group Limited

Registration Number: 7009647

Directors' report for the year ended 31 March 2012

The directors submit their annual report and the audited financial statements of Semperian PPP Investment Partners Group Limited ("the Company") for the year ended 31 March 2012

Principal activities, results, and review of business

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 results for the year are presented in the profit and loss account. The directors consider the performance of the Company during the year, the financial position at the end of the year and the prospects for the future to be satisfactory.

Other than the items noted above, the level of business, year end financial position and future prospects are in line with expectations.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties 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.

Going concern

The Company is in a net current liability position.

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 consider 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.

Dividends

No dividend was paid during the year (2011: £nil).

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.

Directors

The directors of the Company during the year and subsequently were:

A E Birch	
W R Doughty	(resigned 31 March 2012)
D J Ellis	(resigned 31 March 2012)
S P Hornby	(appointed 31 March 2012)
A C Rhodes	
T Ryan	(appointed 31 March 2012)
J M Simpson	(appointed 31 March 2012)

Semperian PPP Investment Partners Group Limited

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Directors' report for the year ended 31 March 2012 (continued)

Statement of disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved, so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information, and to establish that the Company's auditors are aware of that information

Directors' responsibilities statement

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year/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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office

By order of the board



Kim Clear
Company Secretary

21 August 2012

Independent auditors' report to the members of Semperian PPP Investment Partners Group Limited

We have audited the financial statements of Semperian PPP Investment Partners Group Limited for the year ended 31 March 2012, which comprise of a profit and loss account, balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 2 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.

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.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2012 and of its profit 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

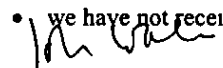
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in 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.


John Waters (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

21 August 2012

Semperian PPP Investment Partners Group Limited

Profit and loss account for the year ended 31 March 2012

	Note	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Turnover	2	37,368,913	28,456,541
Operating profit	3	37,368,913	28,456,541
Interest payable and similar charges	6	(28,456,541)	(28,456,541)
Profit on ordinary activities before taxation		8,912,372	-
Tax on profit on ordinary activities	7	-	-
Profit for the financial year		8,912,372	-

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

There is no material difference between the profit for the year as shown in the profit and loss account and its historical cost equivalent

The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

The movements on reserves are shown in note 15 to the financial statements

Semperian PPP Investment Partners Group Limited

Balance sheet for the year ended 31 March 2012

	Note	31 March 2012 £	31 March 2011 £
Fixed assets			
Investments	8	641,835,773	661,957,859
Current assets			
Debtors amounts falling due within one year	9	14,189,289	14,189,289
Cash at bank and in hand	10	-	-
Creditors: amounts falling due within one year	11	(17,589,291)	(14,189,291)
Net current liabilities		(3,400,002)	(2)
Total assets less current liabilities		638,435,771	661,957,857
Creditors: amounts falling due after more than one year	12	(628,523,399)	(660,957,857)
Net assets		9,912,372	1,000,000
Capital and reserves			
Called up share capital	14	1,000,000	1,000,000
Profit and loss account	15	8,912,372	-
Total shareholders' funds	15	9,912,372	1,000,000

The financial statements on pages 4 to 12 were approved by the board of directors on
21 August 2012 and signed on its behalf by



J M Simpson
Director

Semperian PPP Investment Partners Group Limited

Notes to the financial statements (continued) for the year ended 31 March 2012

1. Principal accounting policies

A summary of the Company's principal accounting policies, which have been consistently applied, is set out below

Basis of preparation of accounts

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting and financial reporting standards in the United Kingdom

The financial statements contain information about Semperian PPP Investment Partners Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. 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

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the Company's ultimate parent undertaking, Semperian PPP Investment Partners Holdings Limited, prepares a consolidated cash flow statement, in which the Company's cash flows are included

Turnover

Turnover, which excludes value added tax, includes recharge income and interest receivable from subordinated debt. Interest receivable from subordinated debt investments is included in income on an accruals basis

Interest

Interest is recognised on an accruals basis

Taxation

Current tax, including United Kingdom corporation tax, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date

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

Semperian PPP Investment Partners Group Limited

Notes to the financial statements (continued) for the year ended 31 March 2012

1. Principal Accounting policies (continued)

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.

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/period in which it occurs.

Going concern

The Company is in a net current liability position.

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.

2. Turnover

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Dividends receivable	8,912,372	-
Interest receivable from group undertakings	28,456,541	28,456,541
	37,368,913	28,456,541

3. Operating profit

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.

Semperian PPP Investment Partners Group Limited

Notes to the financial statements (continued) for the year ended 31 March 2012

4. Directors' emoluments

The remuneration of the directors is paid by a group undertaking and their services to the Company are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the group. The Company has not been charged in respect of these services during the current or previous year.

5. Employee information

The Company had no employees during the current or previous year.

6. Interest payable and similar charges

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Interest payable to group undertakings	28,456,541	28,456,541

7. Taxation on profit on ordinary activities

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
a) Analysis of tax charge for the year		
Current tax:		
Current year	-	-
Tax charge on profit on ordinary activities	-	-

b) Factors affecting the tax charge:

The tax assessed for the year is lower (2011: same) than the standard rate of corporation tax in the UK of 26% (2011: 28%). The differences are explained below:

	Year ended 31 March 2012 £	Year ended 31 March 2011 £
Profit on ordinary activities before taxation	8,912,372	-
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011: 28%)	2,317,217	-
Effects of:		
Non-taxable income	(2,317,217)	-
Current tax charge for the year	-	-

Semperian PPP Investment Partners Group Limited

Notes to the financial statements (continued) for the year ended 31 March 2012

c) Factors which may affect future tax charges

Further reductions to the main rate of corporation tax were also announced in the March 2012 Budget. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. This reduction replaces the decrease to 25% previously enacted in Finance Act 2011. Furthermore, legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 has been included in the Finance Act 2012. A further reduction to the main rate is also proposed to reduce the rate to 22% from 1 April 2014. These changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements. The impact of the proposed changes is not expected to be material to the financial statements.

8. Fixed asset investments

	Equity investments £	Interest Bearing Loan Notes £	Zero Coupon Loan Notes £	Total £
Cost and Net Book Value:				
Beginning of the year	2	392,504,018	269,453,839	661,957,859
Additions	-	-	3,400,000	3,400,000
Disposals and repayments	-	-	(23,522,086)	(23,522,086)
At 31 March 2012	2	392,504,018	249,331,753	641,835,773

The Company holds investments in the following undertakings incorporated in the United Kingdom

Direct subsidiary undertakings	Activities	Percentage of ordinary shares held
Semperian PPP Investment Partners Limited	Intermediate investment holding company	100%
Semperian (Holdings) Limited	Intermediate investment holding company	100%

9. Debtors

	31 March 2012 £	31 March 2011 £
Accrued interest receivable from group undertakings	14,189,289	14,189,289

Accrued interest receivable owed by group undertakings is on balances recorded as loan investments

Semperian PPP Investment Partners Group Limited

Notes to the financial statements (continued) for the year ended 31 March 2012

10. Cash at bank and in hand

	31 March 2012 £	31 March 2011 £
Cash at bank	20,677,468	-
Less cash held on deposit on behalf of group undertakings	(20,677,468)	-
	-	-

11. Creditors: amounts falling due within one year

	31 March 2012 £	31 March 2011 £
Amounts due to group undertakings	3,400,002	8,043,002
Accrued interest payable to group undertakings	14,189,289	6,146,289
	17,589,291	14,189,291

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

12. Creditors: amounts falling due after more than one year

	31 March 2012 £	31 March 2011 £
Subordinated loan notes (analysed under loans and other borrowings)	628,523,399	660,957,857

Semperian PPP Investment Partners Group Limited

Notes to the financial statements (continued) for the year ended 31 March 2012

13. Loans and other borrowings

	31 March 2012 £	31 March 2011 £
Subordinated loan notes		
Zero Coupon Loan	236,019,381	268,453,839
Interest bearing loan	392,504,018	392,504,018
	628,523,399	660,957,857

	31 March 2012 £	31 March 2011 £
Maturity of loans and other borrowings		
In more than five years	628,523,399	660,957,857

On 31 March 2010, the company agreed a zero coupon loan of £265,095,587 and an additional loan of £406,408,308, of which £392,504,018 was interest bearing, from Semperian PPP Investment Partners Holdings Limited

The zero coupon loan has a final repayment date of 14 December 2106, whilst the interest bearing loan has a final repayment date of 14 December 2039 with an interest rate of 7.25% until 30 September 2014, when it increases to 8.8%

14. Called up share capital

	31 March 2012 £	31 March 2011 £
Authorised:		
100,000,000 Ordinary shares of £0.01 each (2011: 100,000,000)	1,000,000	1,000,000
Allotted, called up and fully paid:		
100,000,000 Ordinary shares of £0.01 each (2011: 100,000,000)	1,000,000	1,000,000

Semperian PPP Investment Partners Group Limited

Notes to the financial statements (continued) for the year ended 31 March 2012

15. Movement of total shareholders' funds

	Share capital £	Profit and loss reserve £	Total shareholder's funds £
At 1 April 2010	1,000,000	-	1,000,000
Profit for the year	-	-	-
At 31 March 2011	1,000,000	-	1,000,000
Profit for the year	-	8,912,372	8,912,372
At 31 March 2012	1,000,000	8,912,372	9,912,372

16. Related party disclosures

As a wholly owned subsidiary of Semperian PPP Investment Partners Holdings Limited, the Company has taken advantage of the exemption under Financial Reporting Standard 8 "Related Party Disclosures" of the requirement to disclose transactions between it and other fellow wholly owned group companies

17. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking and ultimate parent and controlling party is Semperian PPP Investment Partners Holdings Limited which is registered in Jersey. The smallest and largest group to consolidate these financial statements is Semperian PPP Investment Partners Holdings Limited.

Consolidated financial statements for Semperian PPP Investment Partners Holdings Limited can be obtained from the Company Secretary at St Martins' House, 1 Gresham Street, London, EC2V 7BX.