

Registered number: 07372931

INFRACAPITAL GP II LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015



INFRACAPITAL GP II LIMITED

COMPANY INFORMATION

DIRECTORS

E H Clarke
M J Lennon
J P McClelland
S H W Pilcher
G R Speirs
A J Ashplant (resigned 23 March 2016)

REGISTERED NUMBER

07372931

REGISTERED OFFICE

Governors House
Laurence Pountney Hill
London
EC4R 0HH
United Kingdom

INDEPENDENT AUDITOR

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL
United Kingdom

INFRACAPITAL GP II LIMITED

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INFRACAPITAL GP II LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their report and the financial statements of Infracapital GP II Limited ("the Company") for the year ended 31 December 2015.

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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; 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.

The directors have not prepared a Strategic Report in accordance with the small companies regime.

PRINCIPAL ACTIVITY

The principal activity of the Company was to act as General Partner of Infracapital Partners II LP and Infracapital Partners (NT) II LP until 19 December 2014, when the Company retired from its appointment and was replaced by Infracapital GP 2 LLP.

On 26th November 2014, the Company was appointed Managing Member of Infracapital GP 2 LLP.

Infracapital Partners II LP and Infracapital Partners (NT) II LP are Limited Partnerships formed by virtue of Limited Partnership Agreements dated 28 October 2010 and 2 February 2012 respectively (as amended from time to time). Both Limited Partnerships are hereafter referred to collectively as the "Partnerships".

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £339,153 (2014: profit £294,552). No dividends were paid during the year (2014: none). The directors do not recommend the payment of a final dividend.

INFRACAPITAL GP II LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

DIRECTORS

The directors who served during the year were:

E H Clarke
M J Lennon
J P McClelland
S H W Pilcher
G R Speirs
A J Ashplant (resigned 23 March 2016)

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITORS

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 9 September 2016

and signed on its behalf.



E H Clarke
Director

INFRACAPITAL GP II LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INFRACAPITAL GP II LIMITED

We have audited the financial statements of Infracapital GP II Limited for the year ended 31 December 2015, set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 as set out on page 1, 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 Financial Reporting Council'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 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.

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 and the directors' report has been prepared in accordance with applicable legal requirements.

INFRACAPITAL GP II LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF INFRACAPITAL GP II LIMITED

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Richard Hinton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square
Canary Wharf
London
E14 5GL
United Kingdom

9 September 2016

INFRACAPITAL GP II LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

		Continuing operations 2015 £	Discontinued operations 2015 £	Total 2015 £	Continuing operations 2014 £	Discontinued operations 2014 £	Total 2014 £
	Note						
Turnover	2	-	-	-	-	12,227,650	12,227,650
Gross profit		-	-	-	-	12,227,650	12,227,650
Administrative expenses		-	-	-	-	(12,227,650)	(12,227,650)
Operating profit	3	-	-	-	-	-	-
Tax (charge)/credit	5	(339,153)	-	(339,153)	-	294,552	294,552
(Loss)/profit for the year		(339,153)	-	(339,153)	-	294,552	294,552
Other comprehensive income:							
Total comprehensive (loss)/income for the year				(339,153)			294,552

The notes on pages 8 to 13 form part of these financial statements.

INFRACAPITAL GP II LIMITED
REGISTERED NUMBER: 07372931

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £
Investments	6	60	60
		<u>60</u>	<u>60</u>
Current assets			
Debtors: amounts falling due within one year	7	370,568	777,816
		<u>370,568</u>	<u>777,816</u>
Creditors: amounts falling due within one year	8	(339,257)	(407,352)
		<u>31,311</u>	<u>370,464</u>
Net current assets			
		<u>31,371</u>	<u>370,524</u>
Total assets less current liabilities			
		<u>31,371</u>	<u>370,524</u>
Net assets			
		<u>31,371</u>	<u>370,524</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account		31,370	370,523
		<u>31,371</u>	<u>370,524</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
9 September 2016



E H Clarke
Director



M J Lennon
Director

The notes on pages 8 to 13 form part of these financial statements.

INFRACAPITAL GP II LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Share capital £	Profit and loss account £	Total equity £
At 1 January 2015	1	370,523	370,524
Loss for the year	-	(339,153)	(339,153)
	<hr/>	<hr/>	<hr/>
At 31 December 2015	<hr/> 1 <hr/>	<hr/> 31,370 <hr/>	<hr/> 31,371 <hr/>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Share capital £	Profit and loss account £	Total equity £
At 1 January 2014	1	75,971	75,972
Profit for the year	-	294,552	294,552
	<hr/>	<hr/>	<hr/>
At 31 December 2014	<hr/> 1 <hr/>	<hr/> 370,523 <hr/>	<hr/> 370,524 <hr/>

The notes on pages 8 to 13 form part of these financial statements.

INFRACAPITAL GP II LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

Infracapital GP II Limited ("the Company") is domiciled in the UK. These financial statements are prepared for the year ended 31 December 2015.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The Company's ultimate parent undertaking, Prudential plc, includes the Company in its consolidated financial statements. These consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are publicly available. Accordingly, the Company may adopt FRS 101.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The preparation of financial statements in accordance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

First time adoption of FRS 101

In the current year, the Company has adopted FRS 101. In previous years, the financial statements were prepared in accordance with applicable UK accounting standards.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The change in the basis of preparation has not altered the recognition and measurement requirements previously applied in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP").

The following accounting policies have been applied:

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

1.3 Revenue

In the prior year revenue primarily arose from a share of profits the Company received in relation to its role as General Partner. The General Partner's share was recognised in the statement of comprehensive income on an accruals basis. Adherence interest was also earned on payments received from subsequent investors entering into the Partnerships, and was recognised in the Profit and Loss Account.

INFRACAPITAL GP II LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.4 Management fees

Management fees are payable by the Company to M&G Investment Management Limited, the appointed manager of Infracapital Partners II LP and Infracapital Partners (NT) II LP. They are accounted for on an accruals basis.

1.5 Investments

Fixed asset investments are held at cost less impairment.

1.6 Functional currency

The Company's functional and presentational currency is GBP.

1.7 Debtors

Debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method, less any impairment losses.

1.8 Creditors

Creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method.

1.9 Taxation

Tax is recognised in the Income Statement, except to the extent that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

The Company is a member of Infracapital GP 2 LLP, which is a tax transparent vehicle. Accordingly, the Company is required to report on its tax return its share of the profits and losses of Infracapital GP 2 LLP, which may give rise to a tax charge or tax credit for the Company, even if the Company earned no income nor incurred any expense during the period.

2. ANALYSIS OF TURNOVER

An analysis of turnover by class of business is as follows:

	2015 £	2014 £
General Partner's Share receivable	-	11,735,359
Adherence interest earned	-	492,291
	<u>-</u>	<u>12,227,650</u>

INFRACAPITAL GP II LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

3. OPERATING PROFIT

Amounts receivable by the Company's auditor in respect of the audit of the Company's financial statements are £3,538 (2014: £3,494) and are payable by M&G Limited, the Company's immediate parent company. Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Prudential plc.

4. EMPLOYEES

All staff were employed during the period by M&G Limited, the Company's immediate parent company. Analyses of staff costs, pension commitments and share-based payments are shown in the annual report and financial statements of that company. The Company has no employees other than directors, who did not receive any remuneration in respect of their services to the Company.

5. TAXATION

	2015 £	2014 £
CORPORATION TAX		
Current tax on profits for the year	(3,482)	(294,552)
Adjustments in respect of previous periods	342,635	-
TOTAL CURRENT TAX CHARGE/(CREDIT)	339,153	(294,552)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	-	-
EFFECTS OF:		
Adjustments to tax in respect of prior periods	342,635	(294,552)
Allocation from underlying partnerships	(3,482)	-
TOTAL TAX CHARGE/(CREDIT) FOR THE YEAR	339,153	(294,552)

INFRACAPITAL GP II LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. TAXATION (continued)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the Company's future current tax charge/(credit) accordingly.

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2015	60
At 31 December 2015	60
NET BOOK VALUE	
At 31 December 2015	60
At 31 December 2014	60

Fixed asset investments represent the capital contribution in Infracapital GP 2 LLP.

7. DEBTORS

	2015 £	2014 £
Amounts owed by group undertakings	370,568	777,816

INFRACAPITAL GP II LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

8. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Amounts owed to group undertakings	60	60
Corporation tax	339,197	407,292
	339,257	407,352

9. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
1 Ordinary Shares share of £1	1	1
	1	1

10. DISCONTINUED OPERATIONS

In December 2014 the Company retired as General Partner of Infracapital Partners LP. No consideration was receivable on the transfer of Infracapital Partners LP from the Company to Infracapital GP 2 LLP.

	2015 £	2014 £
Net cash used in operating activities	-	(60)
Net cash used in investing activities	-	60
	-	-

11. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow group companies.

12. POST BALANCE SHEET EVENTS

There are no significant post balance sheet events requiring disclosure.

INFRACAPITAL GP II LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

13. CONTROLLING PARTY

The Company's immediate parent is M&G Limited, a company registered in England and Wales.

The Company's ultimate parent is Prudential plc, a company registered in England and Wales. Consolidated financial statements are prepared by Prudential plc and copies of these are available from the registered office at Laurence Pountney Hill, London, EC4R 0HH.

14. FIRST TIME ADOPTION OF FRS 101

The Company transitioned to FRS 101 from previously extant UK GAAP as at 1 January 2014.

Due to the nature of the business there were no reconciling items between FRS 101 and previous UK GAAP other than minor changes in presentation.