

Innisfree Group Limited and subsidiary undertakings

Annual Report & Accounts
31 March 2015

COMPANIES HOUSE

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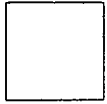


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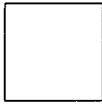
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Innisfree is a leading equity investor in UK and international PFI and PPP public-private sector infrastructure projects. Innisfree has £1.7 billion of funds under management in 4 long term infrastructure funds. Innisfree has committed £1.5 billion to 58 projects which have reached financial close or are at the preferred bidder stage. Together these projects amount to £18.9 billion in capital value.

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DIRECTORS AND PROFESSIONAL ADVISERS
for the year ended 31 March 2015

DIRECTORS

David Metter (Chief Executive)

Matthew Webber

Tim Pearson

Tim Kashem

SECRETARY

James Ward

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

7 More London Riverside

London SE1 2RT

SOLICITORS

Hogan Lovells International LLP

Atlantic House

Holborn Viaduct

London EC1A 2FG

and

Shearman & Sterling (London) LLP

Broadgate West

9 Appold Street

London EC2A 2AP

BANKERS

The Royal Bank of Scotland plc

London Drummonds Branch

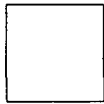
49 Charing Cross

London SW1A 2DX

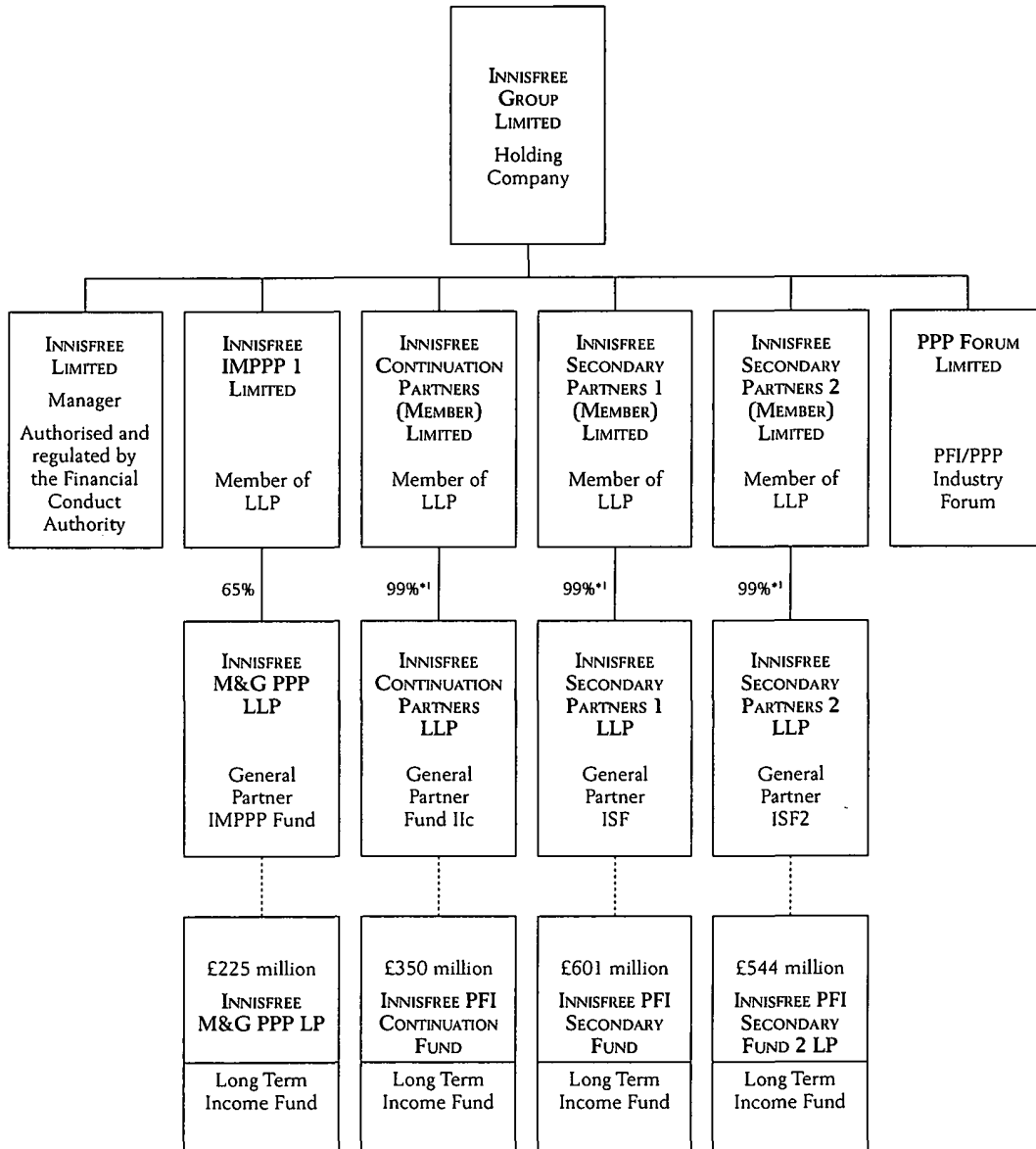
HEADQUARTERS AND REGISTERED OFFICE

33 Gutter Lane

London EC2V 8AS



CORPORATE STRUCTURE – PRINCIPAL ENTITIES
as at 31 March 2015



*1 The remaining 1% partnership share in Innisfree Continuation Partners LLP, Innisfree Secondary Partners 1 LLP and Innisfree Secondary Partners 2 LLP is held by Innisfree Partners (Second Member) Limited.



STRATEGIC REPORT
for the year ended 31 March 2015

RESULTS AND REVIEW OF THE BUSINESS

The Group profit before tax was £13,366,000 (2014 - £10,910,000).

Dividends of £20,750,000 (2014 - £11,501,000) were paid in the year. Full details are included in Note 8.

FUNDS AND INVESTORS

The funds under management at 31 March 2015 comprised Innisfree M&G PPP LP ("IMPPP Fund"), Innisfree PFI Continuation Fund ("Fund Iic"), Innisfree PFI Secondary Fund ("ISF"), and Innisfree PFI Secondary Fund 2 LP ("ISF2") (together, the "Innisfree Funds").

The Innisfree funds are as follows:

	Final Closing	Fund Raising Status	Fund Investing Status	Current Fund Size (£ million)
IMPPP Fund	2002/6	Closed	Closed	225
Fund Iic	2006	Closed	Closed	350
ISF	2008	Closed	Closed	601
ISF2	2013	Closed	Open	544

IMPPP Fund is managed jointly by Innisfree Limited and M&G Investment Management Limited, a subsidiary of Prudential plc.

KEY PERFORMANCE INDICATORS

The directors consider funds under management and profit before tax to be the key performance indicators for the Group. Performance for the year against these has been outlined above.

FINANCIAL RISK MANAGEMENT

The directors have considered the principal risks and uncertainties related to Innisfree Group Limited (the "Company") and Group and consider financial risk to be the most relevant.

The Group's operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest rate risk. These are managed in the following ways:

a) Credit risk

The principal source of income is fund management income. This is received from the Innisfree Funds, whose limited partners are predominantly large institutional and financial investors. The partnership agreements of the Innisfree Funds provide step-in rights for non-defaulting investors to meet the partnership obligations. The Group is represented on the boards of project companies which reduces the risk of non-payment of the amounts due.

b) Liquidity risk

The Group is ungeared and maintains cash balances on short term deposits with several large financial institutions. Fund management income is received semi-annually in advance. This policy ensures that the Group has sufficient available funds for operations and planned expansion.

c) Interest rate risk

The Group's interest income is not significant in relation to its operations. Apart from the use of term deposits, income from the Group's cash balances is subject to fluctuations in prevailing deposit interest rates. The Group has no external debt.

On behalf of the Board,

J.W. Ward
Company Secretary
22 June 2015



DIRECTORS' REPORT
for the year ended 31 March 2015

Registered Number: 3078732

The directors present their annual report on the affairs of the Group, together with the audited consolidated accounts and Independent Auditors' Report, for the year ended 31 March 2015.

PRINCIPAL ACTIVITY

The principal activity of the Group is the management of private equity funds investing in UK, European and Canadian PFI/PPP projects. The principal activity of the Company is that of a holding company. The directors expect the Company and Group to carry on business in a similar fashion in the future.

A subsidiary of the Company, Innisfree Limited, is authorised and regulated by the Financial Conduct Authority, registration number 176485.

DIRECTORS AND SHAREHOLDERS

The directors' interests in the Company's shares were as follows:

Shareholder	31 March 2015	
	Number	%
David Metter	104,000	72.2
Tim Pearson	20,000	13.9
Matthew Webber	20,000	13.9
Total	144,000	100.0

The directors have the benefit of a qualifying third party indemnity provision (as defined in section 234 of the Companies Act 2006) as they maintain Directors' and Officers' insurance in respect of the Company and its directors. This insurance was in force throughout the financial year and up to the date of approval of these accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have prepared the Group and Company accounts 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 accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing those accounts, 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 accounts; and
- prepare the accounts 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 Group and Company and enable them to ensure that the accounts 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.



DIRECTORS' REPORT (CONTINUED)
for the year ended 31 March 2015

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors in office at the date of this report confirms that:

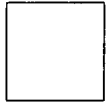
- so far as the director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware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

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP has indicated its willingness to continue in office as auditor for the ensuing year.

On behalf of the Board,

J.W. Ward
Company Secretary
22 June 2015



INDEPENDENT AUDITORS' REPORT for the year ended 31 March 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INNISFREE GROUP LIMITED

REPORT ON THE ACCOUNTS

OUR OPINION

In our opinion, Innisfree Group Limited's Group accounts and Company accounts (the "accounts"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2015 and of the Group's profit and cash flows 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

Innisfree Group Limited's accounts comprise:

- the Group and Company Balance Sheet as at 31 March 2015;
- the Consolidated Profit and Loss Account for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended; and
- the notes to the accounts, 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 accounts is applicable law and United Kingdom Accounting Standards (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 accounts are prepared is consistent with the accounts.

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;
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company accounts 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.



INDEPENDENT AUDITORS' REPORT (CONTINUED) for the year ended 31 March 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INNISFREE GROUP LIMITED (CONTINUED)

RESPONSIBILITIES FOR THE ACCOUNTS AND THE AUDIT

OUR RESPONSIBILITIES AND THOSE OF THE DIRECTORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 ACCOUNTS INVOLVES

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

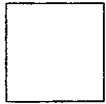
- whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the accounts.

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 accounts.

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 & Accounts to identify material inconsistencies with the audited accounts 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.

Richard McGuire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 June 2015



CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2015

		Group 2015	Group 2014
	<i>Note</i>	£'000	£'000
Turnover	2	25,044	20,403
Administrative expenses		<u>(11,750)</u>	<u>(9,611)</u>
Operating profit		13,294	10,792
Interest receivable and similar income	6	72	69
Profit on disposal of investments		<u>-</u>	<u>49</u>
Profit on ordinary activities before taxation	3	13,366	10,910
Tax on profit on ordinary activities	7	<u>2</u>	<u>5</u>
Profit on ordinary activities after taxation		13,368	10,915
Equity minority interest		<u>(1,529)</u>	<u>(1,488)</u>
Profit for the financial year	15, 16	<u>11,839</u>	<u>9,427</u>

The Group has no recognised gains or losses in either year other than the profit for each year.

There is no difference between the profit as disclosed in the Profit and Loss Account and the profit on an unmodified historical cost basis.

All results and comparatives shown in the Profit and Loss Account are from continuing operations.

The accompanying notes on pages 12 to 20 are an integral part of these accounts.



BALANCE SHEETS
as at 31 March 2015

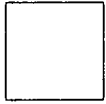
Registered Number: 3078732

		Group 2015	Company 2015	Group 2014	Company 2014
	<i>Note</i>	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	9	36	-	76	-
Investments	10	1,174	116	1,114	116
		<u>1,210</u>	<u>116</u>	<u>1,190</u>	<u>116</u>
Current assets					
Debtors	11	1,779	385	1,516	1,410
Cash		7,462	-	15,620	-
		<u>9,241</u>	<u>385</u>	<u>17,136</u>	<u>1,410</u>
Creditors: amounts falling due within one year	12	(2,761)	-	(1,723)	-
Net current assets		<u>6,480</u>	<u>385</u>	<u>15,413</u>	<u>1,410</u>
Total assets less current liabilities		7,690	501	16,603	1,526
Provision for liabilities	13	-	-	(2)	-
Net assets		<u>7,690</u>	<u>501</u>	<u>16,601</u>	<u>1,526</u>
Capital and reserves					
Called up share capital	14	36	36	36	36
Capital redemption reserve		64	64	64	64
Profit and loss account	15	7,590	401	16,501	1,426
Total shareholders' funds	16	<u>7,690</u>	<u>501</u>	<u>16,601</u>	<u>1,526</u>

The accompanying notes on pages 12 to 20 are an integral part of these accounts.

Approved on behalf of the Board,

D.A. Metter
Director
22 June 2015



CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2015

		Group 2015	Group 2014
	<i>Note</i>	£'000	£'000
Net cash inflow from operating activities	17a	12,623	9,317
Returns on investments and servicing of finance			
Interest received		73	71
Capital expenditure and financial investment			
Purchase of tangible fixed assets	9	(18)	(8)
Purchase of investments		(86)	(361)
Repayment of investments		-	92
Sale of investments		-	597
Equity dividends paid to shareholders	8	(20,750)	(11,501)
Decrease in cash in year	17b, c	<u>(8,158)</u>	<u>(1,793)</u>

The accompanying notes on pages 12 to 20 are an integral part of these accounts.



NOTES TO THE ACCOUNTS

for the year ended 31 March 2015

1. Accounting policies A summary of the principal accounting policies, all of which have been applied consistently throughout the current and preceding years, is set out below.

a) Basis of accounting

The accounts are prepared on a going concern basis in accordance with the Companies Act 2006, on an accruals basis, under the historical cost convention, and in accordance with applicable accounting standards of the United Kingdom. Assets and liabilities are recognised in the accounts where, as a result of past transactions or events, the Group has rights or other access to future economic benefits controlled by the Group, or obligations to transfer economic benefits.

b) Basis of consolidation

The Group accounts consolidate the accounts of Innisfree Group Limited and its subsidiary undertakings, using the acquisition method of accounting. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the Consolidated Profit and Loss Account from the date of acquisition or up to the date of disposal.

No Profit and Loss Account is presented for Innisfree Group Limited as provided by section 408 of the Companies Act 2006.

c) Tangible fixed assets

Fixed assets are shown at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life. Fixtures and equipment are depreciated over three years. Leasehold improvements are written off over the lease term.

d) Investments

Fixed asset investments are shown at cost less any provisions for impairment.

e) Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred tax is accounted for on an undiscounted basis at expected tax rates on all timing differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the accounts. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

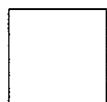
f) Pension costs

The Group makes contributions to the personal pension schemes of employees. The amount charged to the Profit and Loss Account for defined contribution schemes represents the contributions payable in the period.

g) Turnover

Group turnover represents profit shares, transaction fees and other fees receivable for services provided in the normal course of business, on an accruals basis, exclusive of VAT and similar taxes.

Transaction fees represent amounts receivable for work performed in relation to investing in companies involved in public-private sector projects. Transaction fees receivable are accounted for in the financial year in which the concession agreement relating to the project is signed, all material conditions thereon have been met at the Balance Sheet date and the transaction has been completed prior to issue of the year end accounts.



NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015

1. Accounting policies (continued)

h) Dividends

Dividends payable are recognised when the dividend is paid or approved by shareholders.

i) Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. As lessee, costs under operating leases are charged to the Profit and Loss Account in equal amounts over the periods of the leases. Incentives received to enter into leases are amortised over the shorter of the period to the end of the lease, or the period to the date of the first rental review.

j) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account for the year.

2. Turnover and segmental information

Turnover, profit on ordinary activities before taxation and net assets are derived from fund management activities.

Apart from £50,000 (2014 - £56,000) received from Europe and a further £104,000 (2014 - £127,000) received from Canada, all turnover arising from trading activities originated in the United Kingdom.

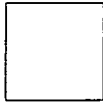
With the exception of £303,000 (2014 - £117,000) of Netherlands sourced income received from Innisfree PFI Continuation Fund and £86,000 (2014 - £nil) of Canada sourced income received from Innisfree PFI Secondary Fund 2 LP, all income arising from investment activities originated in the United Kingdom.

An analysis of the profit attributable to shareholders (after adding back taxation) is as follows:

	Group 2015 £'000	Group 2014 £'000
Profit for the financial year	11,839	9,427
Add back: taxation	(2)	(5)
	<u>11,837</u>	<u>9,422</u>
Attributable to:		
Trading activities	6,471	7,512
Investment activities	5,366	1,910
	<u>11,837</u>	<u>9,422</u>

3. Profit on ordinary activities before taxation

	Group 2015 £'000	Group 2014 £'000
Profit on ordinary activities before taxation is stated after charging:		
Operating lease rentals - other	241	241
Depreciation of owned tangible fixed assets	58	61
Remuneration to the auditors in respect of:		
- statutory audit of the Company and consolidated accounts	17	16
- statutory audit of subsidiary company accounts	95	70
- tax compliance services	53	48
- tax advisory services	15	3
- corporate finance services	2	-
- other services supplied pursuant to legislation	7	7
	<u>241</u>	<u>241</u>



NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015

4. Staff costs	Particulars of employees (including executive directors) are shown below:	Group	Group
		2015	2014
		£'000	£'000
	Employee costs during the year amounted to:		
	Wages and salaries	7,695	6,109
	Social security costs	1,134	907
	Other pension costs	85	339
		<u>8,914</u>	<u>7,355</u>

The average number of persons employed by the Group during the year was 25 (2014 - 25). 18 (2014 - 18) of these employees were involved in fund management activities and 7 (2014 - 7) in administrative roles.

5. Directors' remuneration	Directors' remuneration in respect of directors of the Group was as follows:	Group	Group
		2015	2014
		£'000	£'000
	Fees and remuneration	4,054	2,700
	Other emoluments (including pension contributions)	256	468
		<u>4,310</u>	<u>3,168</u>

The directors' emoluments shown above include the following in respect of the highest paid director:

	2015	2014
	£'000	£'000
Fees and remuneration	3,214	1,991
Other emoluments (including pension contributions)	58	104
	<u>3,272</u>	<u>2,095</u>

The Chief Executive was not the highest paid director in either year.

6. Interest receivable and similar income	Group	Group
	2015	2014
	£'000	£'000
Bank interest	72	69
	<u>72</u>	<u>69</u>



NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015

7. Tax on profit on ordinary activities	Group 2015 £'000	Group 2014 £'000
Current tax:		
United Kingdom corporation tax	-	-
Adjustment relating to prior years	-	-
Total current tax	-	-
Deferred tax: origination and reversal of timing differences (Note 13)	(2)	(5)
Total tax on profit on ordinary activities	(2)	(5)

The tax charge is based on an effective UK corporation tax rate of 21% (2014 - 23%). The current tax is lower (2014 - lower) than the standard rate of UK corporation tax. The differences are explained below:

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	13,366	10,910
Tax charge at average UK corporation tax rate of 21% (2014 - 23%)	2,807	2,509
Non-taxable income	(4,190)	(3,083)
Expenses not deductible	57	4
Minority interest	(321)	(342)
Timing differences	(45)	5
Losses carried forward to future periods	1,692	907
Current tax credit for the year	-	-

8. Dividends	Group 2015 £'000	Group 2014 £'000
1st interim declared and paid: £21.695 (2014 - £21.695) per share	3,124	3,124
2nd interim declared: £15.330 (2014 - £13.993) per share	2,208	2,015
Less: amounts waived	(1,208)	(1,101)
Net paid	1,000	914
3rd interim declared and paid: £51.829 (2014 - £51.829) per share	7,463	7,463
4th interim declared: £15.569 (2014 - £nil) per share	2,242	-
Less: amounts waived	(1,230)	-
Net paid	1,012	-
5th interim declared and paid: £56.604 (2014 - £nil) per share	8,151	-
	20,750	11,501



NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015

9. Tangible fixed assets	Leasehold improve-ments £'000	Fixtures and equipment £'000	Total £'000
Cost			
At 1 April 2014	352	307	659
Additions	-	18	18
Disposals	-	-	-
At 31 March 2015	<u>352</u>	<u>325</u>	<u>677</u>
Accumulated depreciation			
At 1 April 2014	293	290	583
Charge for year	42	16	58
Disposals	-	-	-
At 31 March 2015	<u>335</u>	<u>306</u>	<u>641</u>
Net book value			
At 31 March 2015	<u>17</u>	<u>19</u>	<u>36</u>
At 1 April 2014	<u>59</u>	<u>17</u>	<u>76</u>

The above tangible fixed assets relate to the Group. The Company did not hold any tangible fixed assets in either the current or preceding year.

10. Fixed asset investments	At 1 April 2014 £'000	Additions £'000	Disposals £'000	At 31 March 2015 £'000
Company				
Subsidiary undertakings	116	-	-	116
	<u>116</u>	<u>-</u>	<u>-</u>	<u>116</u>
Group				
Limited Partnership interest in Fund IIc	237	-	-	237
Limited Partnership interest in ISF2	875	60	-	935
Other investments	2	-	-	2
	<u>1,114</u>	<u>60</u>	<u>-</u>	<u>1,174</u>



NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015

10. Fixed asset investments (continued)	The Company has investments in the following subsidiary undertakings:		
	Company	Principal activity	Shareholding
	Investment Companies		
	Innisfree Partners Ltd	Dormant	100%
	Innisfree Partners III Ltd	Dormant	100%
	Innisfree SLP Ltd	Dormant	100%
	Innisfree SLP II Ltd	Dormant	100%
	Innisfree SLP III Ltd	Dormant	100%
	Innisfree EXGP III Ltd	Dormant	100%
	Innisfree M&G PPP LLP*1	General Partner of IMPPP Fund	65%
	Innisfree IMPPP 1 Ltd	Member of Innisfree M&G PPP LLP	100%
	Innisfree IMPPP SLP Ltd	Special Limited Partner of IMPPP Fund	100%
	Innisfree Continuation Partners LLP*2	General Partner of Fund IIc	100%
	Innisfree Continuation Partners (Member) Ltd	Member of Innisfree Continuation Partners LLP (and General Partner of Innisfree PFI Fund II (Dormant))	100%
	Innisfree Continuation SLP Ltd	Special Limited Partner of Fund IIc	100%
	Innisfree EXGP Continuation Ltd	Investing in funds	100%
	Innisfree Secondary Partners 1 LLP*3	General Partner of ISF	100%
	Innisfree Secondary Partners 1 (Member) Ltd	Member of Innisfree Secondary Partners 1 LLP	100%
	Innisfree Secondary SLP Ltd	Special Limited Partner of ISF	100%
	Innisfree EXGP Secondary Ltd	Investing in funds	100%
	Innisfree Secondary Partners 2 LLP*4	General Partner of ISF2	100%
	Innisfree Secondary Partners 2 (Member) Ltd	Member of Innisfree Secondary Partners 2 LLP	100%
	Innisfree Secondary SLP 2 Ltd	Special Limited Partner of ISF2	100%
	Innisfree EXGP Secondary 2 Ltd	Investing in funds	100%
	Innisfree TTT Partners LLP*5	General Partner of Innisfree TTT Fund LP	100%
	Innisfree TTT Partners (Member) Ltd	Member of Innisfree TTT Partners LLP	100%
	Innisfree TTT SLP Ltd	Special Limited Partner of Innisfree TTT Fund LP	100%
	Innisfree EXGP TTT Ltd	Investing in funds	100%
	Innisfree Partners (Second Member) Ltd	Member of Innisfree Continuation Partners LLP, Innisfree Secondary Partners 1 LLP, Innisfree Secondary Partners 2 LLP and Innisfree TTT Partners LLP	100%
	Innisfree Coinvestments Ltd	Investing in funds	100%
	Innisfree Nominees Ltd	Nominee company	100%
	Trading Companies		
	Innisfree Ltd	Fund management	100%
	Innisfree Resources Ltd	Bid management / project advisory	100%
	PPP Forum Ltd	PFI/PPP industry forum	100%
	Innisfree Investor Services Ltd	Dormant	100%
	Innisfree Canada Ltd	Bid management / project advisory - Canada	100%

*1 Held by Innisfree IMPPP 1 Ltd.

*2 Held by Innisfree Continuation Partners (Member) Ltd and Innisfree Partners (Second Member) Ltd.

*3 Held by Innisfree Secondary Partners 1 (Member) Ltd and Innisfree Partners (Second Member) Ltd.

*4 Held by Innisfree Secondary Partners 2 (Member) Ltd and Innisfree Partners (Second Member) Ltd.

*5 Held by Innisfree TTT Partners (Member) Ltd and Innisfree Partners (Second Member) Ltd.

All of the entities listed above are registered in England and Wales with the exception of Innisfree Canada Ltd, which is registered in Canada.

The directors believe that the carrying value of the investments is supported by the underlying net assets.



NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015

11. Debtors	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Amounts falling due within one year:				
Trade debtors	391	-	336	-
Amounts owed by group undertakings	-	385	-	1,410
Other debtors	-	-	1	-
Prepayments and accrued income	1,388	-	1,179	-
	<u>1,779</u>	<u>385</u>	<u>1,516</u>	<u>1,410</u>

Amounts owed by group undertakings are unsecured, non-interest bearing and are repayable on demand.

12. Creditors: amounts falling due within one year	Group 2015 £'000	Company 2015 £'000	Group 2014 £'000	Company 2014 £'000
Trade creditors	95	-	123	-
Taxation and social security	1,166	-	230	-
Undrawn commitments	20	-	46	-
Other creditors	623	-	613	-
Accruals and deferred income	857	-	711	-
	<u>2,761</u>	<u>-</u>	<u>1,723</u>	<u>-</u>

Other creditors include £386,000 (2014 - £376,000) due to the minority member in respect of its interest in Innisfree M&G PPP LLP.

13. Provision for liabilities	Group 2015 £'000	Company 2015 £'000
Deferred taxation:		
At 1 April 2014	2	-
Movement in the year	(2)	-
At 31 March 2015	<u>-</u>	<u>-</u>

A deferred tax liability of £nil (2014 - £2,000) arises due to timing differences on the write-down of tangible fixed assets for book and taxation purposes. None of the £24,793,000 (2014 - £16,713,000) of losses carried forward in group companies are expected to have value in future years and a deferred tax asset of £4,959,000 (2014 - £3,510,000) has therefore not been recognised in these accounts. Deferred tax is calculated based on the UK corporation tax rate of 20% effective for periods beginning 1 April 2015 (2014 - 21%).

14. Called-up share capital	Company 2015 £'000	Company 2014 £'000
Authorised:		
144,000 ordinary shares of 25 pence each (2014 - 144,000)	<u>36</u>	<u>36</u>
Allotted and fully paid:		
144,000 ordinary shares of 25 pence each (2014 - 144,000)	<u>36</u>	<u>36</u>



NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015

15. Profit and loss account		Group	Company	Group	Company
		2015	2015	2014	2014
		£'000	£'000	£'000	£'000
	At 1 April	16,501	1,426	18,575	1,826
	Profit for the year	11,839	19,725	9,427	11,101
	Dividends paid to shareholders (Note 8)	(20,750)	(20,750)	(11,501)	(11,501)
	At 31 March	<u>7,590</u>	<u>401</u>	<u>16,501</u>	<u>1,426</u>
16. Reconciliation of movements in shareholders' funds		Group	Company	Group	Company
		2015	2015	2014	2014
		£'000	£'000	£'000	£'000
	At 1 April	16,601	1,526	18,675	1,926
	Profit for the year	11,839	19,725	9,427	11,101
	Dividends paid to shareholders (Note 8)	(20,750)	(20,750)	(11,501)	(11,501)
	At 31 March	<u>7,690</u>	<u>501</u>	<u>16,601</u>	<u>1,526</u>
17. Cash flow information	a) Reconciliation of operating profit to net cash inflow from operating activities				
		Group		Group	
		2015		2014	
		£'000		£'000	
	Operating profit	13,294		10,792	
	Depreciation	58		61	
	(Increase) / decrease in debtors	(264)		437	
	Increase / (decrease) in creditors	1,064		(485)	
	Minority interest	(1,529)		(1,488)	
	Net cash inflow from operating activities	<u>12,623</u>		<u>9,317</u>	
	b) Reconciliation of net cash flow to movement in net cash				
		Group		Group	
		2015		2014	
		£'000		£'000	
	Decrease in cash for the year	(8,158)		(1,793)	
	Net cash at the beginning of year	<u>15,620</u>		<u>17,413</u>	
	Net cash at end of year	<u>7,462</u>		<u>15,620</u>	
c) Analysis of changes in net cash					
	At		At		
	1 April	Cash	31 March		
	2014	outflows	2015		
	£'000	£'000	£'000		
Net cash at end of year	<u>15,620</u>	<u>(8,158)</u>	<u>7,462</u>		



NOTES TO THE ACCOUNTS (CONTINUED)
for the year ended 31 March 2015

18. Guarantees and other financial commitments

a) Lease commitments

A subsidiary has a lease on premises at 33 Gutter Lane, London EC2V 8AS which expires on 18 August 2015. The current annual rental on the lease is £241,000 (2014 - £241,000). The lease has been guaranteed by the Company.

	Group 2015 £'000	Group 2014 £'000
Operating leases expire:		
Within one year	92	-
Within two to five years	-	241
	<u>92</u>	<u>241</u>

b) VAT

The Company is registered for VAT purposes in a group of undertakings that share a common VAT registration. As a result, it has jointly guaranteed the VAT liability of the VAT Group.

19. Related party transactions

Innisfree Continuation Partners LLP, as the General Partner of Fund IIc, received a profit share of £4,231,000 during the year (2014 - Innisfree Continuation Partners (Member) Limited received £4,011,000). At 31 March 2015 £nil (2014 - £nil) was due from Fund IIc.

Innisfree IMPPP 1 Limited, through its interest in Innisfree M&G PPP LLP as the General Partner of IMPPP Fund, received a profit share of £2,162,000 during the year (2014 - £2,104,000) during the year. At 31 March 2015 £2,000 (2014 - £1,000) was due from IMPPP Fund relating to sundry operating costs borne on its behalf by the Group.

Innisfree Secondary Partners 1 LLP, as the General Partner of ISF, received a profit share of £7,028,000 (2014 - Innisfree Secondary Partners 1 (Member) Limited received £6,840,000). At 31 March 2015 £5,000 (2014 - £nil) was due from ISF relating to sundry operating costs borne on its behalf by the Group.

Innisfree Secondary Partners 2 LLP, as the General Partner of ISF2, received a profit share of £3,772,000 (2014 - Innisfree Secondary Partners 2 (Member) Limited received £2,321,000). At 31 March 2015 £43,000 (2014 - £ nil) was due to ISF2 relating to directors' fees receivable by the Group and to be shared with ISF2 once received.

The Group received fees in connection to its representation on the boards of project companies totalling £2,436,000 (2014 - £2,067,000) of which £387,000 (2014 - £324,000) was allocated to M&G Investment Management Limited in respect of its co-management role on IMPPP Fund and a further £235,000 (2014 - £115,000) was allocated to the Innisfree Funds. At 31 March 2015 £364,000 (2014 - £315,000) was due from project companies. The Group received no fees from project companies in the year (2014 - £1,127,000 received and allocated to the Innisfree Funds).

20. Events after the Balance Sheet date

On 16 March 2015 a new limited partnership, Innisfree TTT Fund LP, was registered. This is a single purpose limited partnership established to participate in a consortium that will bid for the Thames Tideway Tunnel project and, if successful, to structure, complete and manage direct or indirect investment in the infrastructure provider for that project. The limited partnership reached its final closing on 23 March 2015 however did not become active until 11 May 2015 when certain criteria were met. At the date of these accounts a successful consortium had not been selected.

On 5 June 2015 a subsidiary entered into an agreement for lease on premises in Charterhouse Street, London EC1M 6HR. After a rent-free period, the annual rent will be £275,000. The lease will be guaranteed by the Company.

21. Ultimate controlling party

The ultimate controlling party of the Group and the Company is The David Antony Metter Settlement.

Innisfree Group Limited
33 Gutter Lane, London, EC2V 8AS