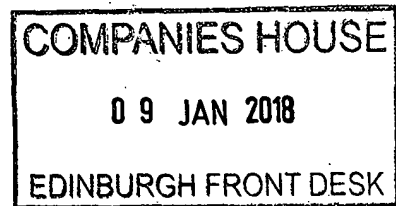


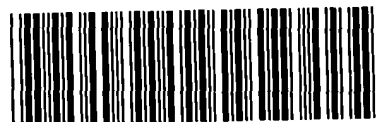
Registered Number 08403313



Blue3 (London) (Holdings) Limited

Directors' Report and Financial Statements
For the year ended 30 June 2017

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COMPANIES HOUSE

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Blue3 (London) (Holdings) Limited

COMPANY INFORMATION

Directors	Helen Murhpy Angela L Roshier Charlotte S E Douglass Adam Irwin
Company Number	08403332
Registered Office	Tempsford Hall Sandy Bedfordshire SG19 2BD
Independent Auditors	PricewaterhouseCoopers LLP Atria One, 144 Morrison Street, Edinburgh, EH38EX

Blue3 (London) (Holdings) Limited

STRATEGIC REPORT

Principal activities

Blue3 (London) (Holdings) Limited (the "Company") acts as an investment holding company, whose sole business is the holding of an investment in its wholly owned subsidiary, Blue3 (London) Limited.

The principal activities of Blue3 (London) Limited are to develop, service and maintain a set of nine fire stations in accordance with the terms of the Project Agreement with the London Fire and Emergency Planning Authority. This agreement, together with a loan facilities agreement, a construction contract, a facilities management contract and other related contracts were signed on 1 August 2013. The concession period runs for a period of 25 years from the completion of the final station.

Business review and future developments

There have been no significant issues reported in relation to the construction of the fire stations after all the 9 stations were handed over to the London Fire and Emergency Planning Authority in April 2016. This is the first full year of operations and no significant issues were reported by London Fire and Emergency Planning Authority.

Results

The result for the financial year dealt with in the financial statements is £nil (2016: £nil).

Key performance indicators

The Company's results are measured against the original financial model, agreed as part of the financial close on 1 August 2013. Variances from the model are highlighted and reported to the board on a monthly basis.

Principal risks and uncertainties

As this project is heavily geared there is the potential financial risk that interest rate fluctuations in the market could impact the project. However, as management have put in place fixed price debt instruments for the life of the project, at financial close this risk is deemed to be mitigated.

Going concern

The directors have reviewed the Company's projected cash flows which have been prepared on the basis of a detailed analysis of the group's finances and likely future demand trends. After consideration of these projections, the directors consider the group and 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.

By Order of the Board



Helen Murphy
Director

Date: 21 December 2017

Blue3 (London) (Holdings) Limited

DIRECTORS' REPORT

The directors present their Directors' Report and the audited financial statements for the year ended 30 June 2017.

1 Dividends

The directors do not recommend the payment of a dividend (2016: £Nil).

2 Directors

The directors of the Company who served during the year and to the date of this report were as follows:

Adam G Waddington (resigned 28 April 2017)
Angela L Roshier
Helen Murphy (appointed 28 April 2017)
Charlotte S E Douglass (appointed 28 June 2017)
Adam Irwin (appointed on 28 June 2017)
Phillippa J W Prongué (resigned 28 June 2017)
Duncan R S MacDonald (resigned 28 June 2017)

3 Disclosure of information to auditors

As far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware and each of us has taken all the steps that he or she ought to have taken in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of such information.

4 Auditor

PricewaterhouseCoopers LLP were appointed as auditors to the Company during 2016 and have indicated their willingness to continue in office.

On behalf of the Board



Helen Murphy
Director

Date: 21 December 2017

Blue3 (London) (Holdings) Limited

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is 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 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.

Independent auditors' report to the members of Blue3 (London) Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Blue3 (London) (Holdings) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 30 June 2017; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Blue3 (London) (Holdings) Limited

***Independent auditors' report to the members of
Blue3 (London) (Holdings) Limited (continued)***

Other required reporting

Companies Act 2006 exception reporting

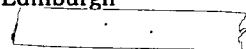
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Paul Cheshire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh



5 JANUARY 2018

Blue3 (London) (Holdings) Limited

Statement of Comprehensive Income For the year ended 30 June 2017

	Note	2017 £'000	2016 £'000
Finance income	4	511	171
Finance cost	4	<u>(511)</u>	<u>(171)</u>
Operating result		<u>-</u>	<u>-</u>
Tax on result on ordinary activities		<u>-</u>	<u>-</u>
Result for the financial year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		<u>-</u>	<u>-</u>

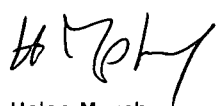
The notes on pages 11 to 13 form part of these financial statements.

Blue3 (London) (Holdings) Limited

BALANCE SHEET As at 30 June 2017

		2017 £'000	2016 £'000
	Note		
Fixed assets			
Investments	6	10	10
Current assets			
Debtors: amounts falling due within one year	7	156	77
Debtors: amounts falling due after more than one year	7	4,108	4,187
Total assets		4,274	4,274
Current liabilities			
Creditors: amounts falling due within one year	8	(156)	(77)
Total assets less liabilities		4,118	4,197
Creditors: amounts falling due after more than one year	8	(4,108)	(4,187)
Net assets		10	10
Capital and reserves			
Called up share capital	9	10	10
Profit and loss account		-	-
Total Equity		10	10

The financial statements were approved by the board on 21 December 2017 and were signed on its behalf by:



Helen Murphy
Director

Registered Number: 08403313

The notes on pages 11 to 13 form part of these financial statements.

Blue3 (London) (Holdings) Limited

STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2017

	Called up share capital £000	Profit and loss account £000	Total Equity £000
Balance as at 1 July 2015	10	-	10
Result for the financial year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Balance as at 30 June 2016	10	-	10
Result for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Balance as at 30 June 2017	10	-	10

The notes on pages 11 to 13 form part of these financial statements.

Blue3 (London) (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

General information

Blue3 (London) (Holdings) Limited (the "Company") is an investment holding company, whose sole business is the holding of an investment in its wholly owned subsidiary, Blue3 (London) Limited.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office Tempsford Hall, Sandy, Bedfordshire SG19 2BD.

Basis of preparation

The financial statements of Blue3 (London) (Holdings) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the United Kingdom' and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented. These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities at fair value. No accounting estimates have been used in the preparation of these financial statements.

Investments

Investments in subsidiary undertakings are held at cost less provision for impairment.

Financial instruments

The company only enters into basis financial transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measure any impairment loss is the current effective interest rate determined under the contract.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Interest receivable and payable

Interest receivable is accounted for by applying the effective interest rate to the outstanding loan balance over a time period basis; this income is charged to the profit and loss as incurred.

Interest payable is calculated by applying the effective interest rate to the Company's outstanding loan balance over a time period basis; this cost is charged to the profit and loss as incurred.

Blue3 (London) (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 Judgement in applying accounting policies and key source of estimation uncertainty

Investments in subsidiaries are measured at cost less accumulated impairment. The value of the subsidiary Company at each balance sheet date is assessed to consider whether the current value held is appropriate.

3. Operating results

The audit fee is paid by the company's 100% subsidiary, Blue3 (London) Limited. The directors estimate the fee attributable to the company to be £1,500 (2016: £1,500).

4. Finance income and cost

The Company has recognised the subordinated debt interest receivable from its subsidiary (Blue3 (London) Limited) and due to its shareholders as both interest receivable and interest payable in this year's financial statements which totals £512k (2016: £171k).

5. Directors and employees

The directors received no remuneration during the year (2016: £nil).
The company has no employees (2016: nil).

6. Investments

	2017 £'000
Cost	
Balance at 1 July 2016 and 30 June 2017	<u>10</u>

The Company's subsidiary, Blue3 (London) Limited was acquired on 14 February 2013 for book value and is wholly owned. The Company owns 100% of the issued ordinary share capital of this company whose activity is set out in the Directors' report. Blue3 (London) Limited made a loss of (£162k) in the year ended 30 June 2017 (2016: profit of £300k) and its net liabilities on that date were £14k (2016: £14k).

7. Debtors

	2017 £'000	2016 £'000
Debtors: amounts falling due within one year	156	77
Debtors: amounts falling due after more than one year	4,108	4,187
	<u>4,264</u>	<u>4,264</u>

The Company has advanced sub-ordinated loan facility to its subsidiary Blue3 (London) Limited for £4,264k. The advance is repayable from 01 July 2017 to 31 January 2040.

	2017 £000
Amounts repayable are due as follows:	
Within one year	156
In more than one year but not more than two years	87
In more than two years but not more than five years	267
In more than 5 years	3,754
	<u>4,264</u>

Blue3 (London) (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Creditors

	2017 £'000	2016 £'000
Creditors: amounts falling due within one year	156	77
Creditors: amounts falling due after more than one year	4,108	4,187
	4,264	4,264

Sub-ordinated loan facility outstanding at 30 June 2017 is £4,264k and is repayable from 01 July 2017 to 31 January 2040.

	2017 £000
Amounts repayable are due as follows:	
Within one year	156
In more than one year but not more than two years	87
In more than two years but not more than five years	267
In more than 5 years	3,754
	4,264

9. Called up share capital

	2017 £'000	2016 £'000
Authorised; allotted and fully paid		
10,000 (2016: 10,000) ordinary shares of £1 each	10	10

10. Ultimate holding company

During the year Kier Project Investment Limited (the ultimate holding company being Kier Group plc) sold its entire shareholdings to Equitix Infrastructure 4 Limited.

Blue3 (London) (Holdings) Limited is a company incorporated in the United Kingdom and registered in England and Wales. The share capital of Blue3 (London) (Holdings) Limited is held 50% by DIF Infra Yield 1 Limited (the ultimate holding company being DIF Infrastructure Yield I Coöperatief U.A.) and 50% by Equitix Infrastructure 4 Limited (the ultimate holding company being Equitix Fund IV LP).

Blue3 (London) (Holdings) Limited, Equitix Fund IV LP and DIF Infra Yield 1 Limited are all incorporated in the United Kingdom and registered in England and Wales.

Registered Number 08403313

Blue3 (London) (Holdings) Limited

Directors' Report and Financial Statements
For the year ended 30 June 2017

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1	Company Information
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10	Statement of changes in equity
11-13	Notes to the Financial Statements

Blue3 (London) (Holdings) Limited

COMPANY INFORMATION

Directors	Helen Murhpy Angela L Roshier Charlotte S E Douglass Adam Irwin
Company Number	08403332
Registered Office	Tempsford Hall Sandy Bedfordshire SG19 2BD
Independent Auditors	PricewaterhouseCoopers LLP Atria One, 144 Morrison Street, Edinburgh, EH38EX

Blue3 (London) (Holdings) Limited

STRATEGIC REPORT

Principal activities

Blue3 (London) (Holdings) Limited (the "Company") acts as an investment holding company, whose sole business is the holding of an investment in its wholly owned subsidiary, Blue3 (London) Limited.

The principal activities of Blue3 (London) Limited are to develop, service and maintain a set of nine fire stations in accordance with the terms of the Project Agreement with the London Fire and Emergency Planning Authority. This agreement, together with a loan facilities agreement, a construction contract, a facilities management contract and other related contracts were signed on 1 August 2013. The concession period runs for a period of 25 years from the completion of the final station.

Business review and future developments

There have been no significant issues reported in relation to the construction of the fire stations after all the 9 stations were handed over to the London Fire and Emergency Planning Authority in April 2016. This is the first full year of operations and no significant issues were reported by London Fire and Emergency Planning Authority.

Results

The result for the financial year dealt with in the financial statements is £nil (2016: £nil).

Key performance indicators

The Company's results are measured against the original financial model, agreed as part of the financial close on 1 August 2013. Variances from the model are highlighted and reported to the board on a monthly basis.

Principal risks and uncertainties

As this project is heavily geared there is the potential financial risk that interest rate fluctuations in the market could impact the project. However, as management have put in place fixed price debt instruments for the life of the project, at financial close this risk is deemed to be mitigated.

Going concern

The directors have reviewed the Company's projected cash flows which have been prepared on the basis of a detailed analysis of the group's finances and likely future demand trends. After consideration of these projections, the directors consider the group and 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.

By Order of the Board



Helen Murphy
Director

Date: 21 December 2017

Blue3 (London) (Holdings) Limited

DIRECTORS' REPORT

The directors present their Directors' Report and the audited financial statements for the year ended 30 June 2017.

1 Dividends

The directors do not recommend the payment of a dividend (2016: £Nil).

2 Directors

The directors of the Company who served during the year and to the date of this report were as follows:

Adam G Waddington (resigned 28 April 2017)
Angela L Roshier
Helen Murphy (appointed 28 April 2017)
Charlotte S E Douglass (appointed 28 June 2017)
Adam Irwin (appointed on 28 June 2017)
Phillippa J W Prongué (resigned 28 June 2017)
Duncan R S MacDonald (resigned 28 June 2017)

3 Disclosure of information to auditors

As far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware and each of us has taken all the steps that he or she ought to have taken in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of such information.

4 Auditor

PricewaterhouseCoopers LLP were appointed as auditors to the Company during 2016 and have indicated their willingness to continue in office.

On behalf of the Board



Helen Murphy
Director

Date: 21 December 2017

Blue3 (London) (Holdings) Limited

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is 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 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.

Independent auditors' report to the members of Blue3 (London) Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Blue3 (London) (Holdings) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 30 June 2017; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Blue3 (London) (Holdings) Limited

***Independent auditors' report to the members of
Blue3 (London) (Holdings) Limited (continued)***

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Paul Cheshire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh



5 JANUARY 2018

Blue3 (London) (Holdings) Limited

Statement of Comprehensive Income For the year ended 30 June 2017

	Note	2017 £'000	2016 £'000
Finance income	4	511	171
Finance cost	4	<u>(511)</u>	<u>(171)</u>
Operating result		<u>-</u>	<u>-</u>
Tax on result on ordinary activities		<u>-</u>	<u>-</u>
Result for the financial year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		<u>-</u>	<u>-</u>

The notes on pages 11 to 13 form part of these financial statements.

Blue3 (London) (Holdings) Limited

BALANCE SHEET As at 30 June 2017

		2017 £'000	2016 £'000
	Note		
Fixed assets			
Investments	6	10	10
Current assets			
Debtors: amounts falling due within one year	7	156	77
Debtors: amounts falling due after more than one year	7	4,108	4,187
Total assets		4,274	4,274
Current liabilities			
Creditors: amounts falling due within one year	8	(156)	(77)
Total assets less liabilities		4,118	4,197
Creditors: amounts falling due after more than one year	8	(4,108)	(4,187)
Net assets		10	10
Capital and reserves			
Called up share capital	9	10	10
Profit and loss account		-	-
Total Equity		10	10

The financial statements were approved by the board on 21 December 2017 and were signed on its behalf by:



Helen Murphy
Director

Registered Number: 08403313

The notes on pages 11 to 13 form part of these financial statements.

Blue3 (London) (Holdings) Limited

STATEMENT OF CHANGES IN EQUITY For the year ended 30 June 2017

	Called up share capital £000	Profit and loss account £000	Total Equity £000
Balance as at 1 July 2015	10	-	10
Result for the financial year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Balance as at 30 June 2016	10	-	10
Result for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	-	-
Balance as at 30 June 2017	10	-	10

The notes on pages 11 to 13 form part of these financial statements.

Blue3 (London) (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

General information

Blue3 (London) (Holdings) Limited (the "Company") is an investment holding company, whose sole business is the holding of an investment in its wholly owned subsidiary, Blue3 (London) Limited.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office Tempsford Hall, Sandy, Bedfordshire SG19 2BD.

Basis of preparation

The financial statements of Blue3 (London) (Holdings) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the United Kingdom' and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented. These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities at fair value. No accounting estimates have been used in the preparation of these financial statements.

Investments

Investments in subsidiary undertakings are held at cost less provision for impairment.

Financial instruments

The company only enters into basis financial transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measure any impairment loss is the current effective interest rate determined under the contract.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Interest receivable and payable

Interest receivable is accounted for by applying the effective interest rate to the outstanding loan balance over a time period basis; this income is charged to the profit and loss as incurred.

Interest payable is calculated by applying the effective interest rate to the Company's outstanding loan balance over a time period basis; this cost is charged to the profit and loss as incurred.

Blue3 (London) (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2 Judgement in applying accounting policies and key source of estimation uncertainty

Investments in subsidiaries are measure at cost less accumulated impairment. The value of the subsidiary Company at each balance sheet date is assessed to consider whether the current value held is appropriate.

3. Operating results

The audit fee is paid by the company's 100% subsidiary, Blue3 (London) Limited. The directors estimate the fee attributable to the company to be £1,500 (2016: £1,500).

4. Finance income and cost

The Company has recognised the subordinated debt interest receivable from its subsidiary (Blue3 (London) Limited) and due to its shareholders as both interest receivable and interest payable in this year's financial statements which totals £512k (2016: £171k).

5. Directors and employees

The directors received no remuneration during the year (2016: £nil).
The company has no employees (2016: nil).

6. Investments

	2017 £'000
Cost	
Balance at 1 July 2016 and 30 June 2017	<u>10</u>

The Company's subsidiary, Blue3 (London) Limited was acquired on 14 February 2013 for book value and is wholly owned. The Company owns 100% of the issued ordinary share capital of this company whose activity is set out in the Directors' report. Blue3 (London) Limited made a loss of (£162k) in the year ended 30 June 2017 (2016: profit of £300k) and its net liabilities on that date were £14k (2016: £14k).

7. Debtors

	2017 £'000	2016 £'000
Debtors: amounts falling due within one year	156	77
Debtors: amounts falling due after more than one year	4,108	4,187
	<u>4,264</u>	<u>4,264</u>

The Company has advanced sub-ordinated loan facility to its subsidiary Blue3 (London) Limited for £4,264k. The advance is repayable from 01 July 2017 to 31 January 2040.

	2017 £000
Amounts repayable are due as follows:	
Within one year	156
In more than one year but not more than two years	87
In more than two years but not more than five years	267
In more than 5 years	3,754
	<u>4,264</u>

Blue3 (London) (Holdings) Limited

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. Creditors

	2017 £'000	2016 £'000
Creditors: amounts falling due within one year	156	77
Creditors: amounts falling due after more than one year	4,108	4,187
	<u>4,264</u>	<u>4,264</u>

Sub-ordinated loan facility outstanding at 30 June 2017 is £4,264k and is repayable from 01 July 2017 to 31 January 2040.

	2017 £000
Amounts repayable are due as follows:	
Within one year	156
In more than one year but not more than two years	87
In more than two years but not more than five years	267
In more than 5 years	3,754
	<u>4,264</u>

9. Called up share capital

	2017 £'000	2016 £'000
Authorised; allotted and fully paid		
10,000 (2016: 10,000) ordinary shares of £1 each	<u>10</u>	<u>10</u>

10. Ultimate holding company

During the year Kier Project Investment Limited (the ultimate holding company being Kier Group plc) sold its entire shareholdings to Equitix Infrastructure 4 Limited.

Blue3 (London) (Holdings) Limited is a company incorporated in the United Kingdom and registered in England and Wales. The share capital of Blue3 (London) (Holdings) Limited is held 50% by DIF Infra Yield 1 Limited (the ultimate holding company being DIF Infrastructure Yield I Coöperatief U.A.) and 50% by Equitix Infrastructure 4 Limited (the ultimate holding company being Equitix Fund IV LP).

Blue3 (London) (Holdings) Limited, Equitix Fund IV LP and DIF Infra Yield 1 Limited are all incorporated in the United Kingdom and registered in England and Wales.