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3i Osprey GP Limited

Annual report and accounts
for the year to 31 March 2009

Directors' report

The Directors submit their report with the financial statements for the year to 31 March 2009.

Activities and future prospects

The principal activity of 3i Osprey GP Limited (the "Company") is to act as general partner of 3i Infrastructure Limited partnerships. There have been no changes in activity in the year and the Directors do not foresee any future changes.

Results and dividend

The profit for the year after tax amounted to £134,969 (2008:£172,892). The Directors do not recommend a dividend for the year (2008: £nil).

Directors

J C Murphy
J B C Russell
P Waller
K J Dunn
C P Rowlands – resigned 1 April 2009

Statement of Directors' responsibilities

The Directors are required by UK company law to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of the year and of the result for the year. The Directors have responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Suitable accounting policies, which follow generally accepted accounting practice and are explained in the section entitled accounting policies, have been applied consistently and applicable accounting standards have been followed. In addition, these financial statements comply with International Financial Reporting Standards as adopted by the European Union and reasonable and prudent judgments and estimates have been used in their preparation.

3i Osprey GP Limited

Directors' report

Going concern

The Directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing the financial statements.

Audit information

Pursuant to s234ZA (2) of the Companies Act 1985, each of the Directors confirms that: (a) so far as they are aware, there is no relevant audit information of which the auditors are unaware; and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of such information.

Auditors

Ernst & Young LLP remain in office as auditors of the Company in accordance with Section 487(2) of the Companies Act 2006

By Order of the Board

T. Uery

3i plc
Secretaries

Registered Office:
16 Palace Street
London SW1E 5JD
11|08|2009

Independent auditors' report to the members of 3i Osprey GP Limited

We have audited the Company's financial statements for the year to 31 March 2009 which comprise the income statement, statement of changes in equity, balance sheet, cash flow statement, accounting policies A to J and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

The Directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union as set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and that the information given in the Directors' report is consistent with the financial statements. We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

Independent auditors' report to the members of 3i Osprey GP Limited

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London
11/8/2009

3i Osprey GP Limited

Income statement

for the year to 31 March 2009

	Notes	2009 £	2008 £
Revenue	1	2,814,388	3,458,044
Administrative expenses	2	(2,679,419)	(3,285,152)
Operating profit		134,969	172,892
Profit before tax		134,969	172,892
Income taxes	3	-	-
Profit after tax for the year		134,969	172,892

Statement of changes in equity

for the year to 31 March 2009

	Issued capital £	Retained earnings £	Total equity £
Year to 31 March 2009			
Opening Balance	1	172,892	172,893
Profit for the year		134,969	134,969
Balance at 31 March 2009	1	307,861	307,862
Year to 31 March 2008			
Balance at 1 April 2008	1	-	1
Profit for the year		172,892	172,892
Balance at 31 March 2008	1	172,892	172,893

3i Osprey GP Limited

Balance sheet
as at 31 March 2009

	Notes	2009 £	2008 £
Assets			
Non-current assets			
Investments	4	1	1
Current assets			
Other receivables	5	313,611	628,353
Total assets		313,612	628,354
Liabilities			
Current liabilities			
Other payables	6	(5,750)	(455,461)
Total liabilities		(5,750)	(455,461)
Net assets		307,862	172,893
Equity			
Issued capital	7	1	1
Retained earnings		307,861	172,892
Total equity		307,862	172,893

K. J. I Director

11/08/2009

3i Osprey GP Limited

Cash flow statement

for the year to 31 March 2009

	2009 £	2008 £
Cash flow from operating activities		
Profit before tax	134,969	172,892
	134,969	172,892
Decrease/(increase) in receivables	314,742	(628,353)
(Decrease)/increase in payables	(449,711)	455,461
Net cash flow from operating activities	-	-
Change in cash and cash equivalents	-	-
Change in non-cash items	-	-
Closing cash and cash equivalents at 31 March	-	-

3i Group hold all cash in relation to 3i Osprey GP Limited and acts as its banker.

Accounting policies

A Statement of compliance These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and their interpretations issued or adopted by the International Accounting Standards Board as adopted for use in the European Union ("IFRS").

These financial statements have been prepared in accordance with and in compliance with the Companies Act 1985.

New standards and interpretations not applied During the year, the IASB and IFRIC have issued the following standards and interpretations to be applied to financial statements with periods commencing on or after the following dates:

International Accounting Standards (IAS/IFRS's)	Effective for periods beginning on or after
IFRS 2 Amendment - Share-based payments: Vesting conditions and cancellations	1 January 2009
IFRS 8 Operating Segments	1 January 2009
IAS 1 Presentation of Financial Statements (Revised)	1 January 2009
IAS 23 Borrowing Costs (Revised)	1 January 2009
IAS 27 Amendment - Consolidation and Separate Financial Statements	1 July 2009
IFRS 3 Business Combinations (Revised)	1 July 2009
IAS 32/IAS 1 Amendment - Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
IAS 39 - Eligible Hedged Items	1 July 2008
IFRIC 15 Agreements for the construction of Real Estates	1 January 2009
IFRIC 16 Hedges of a Net Investment in a Foreign Operation	1 October 2008

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application.

B Basis of preparation The financial statements are presented in Sterling, the functional currency of the Company.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The most significant techniques for estimation are described in the accounting policies below.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Accounting policies

C Investments Investments are carried in the balance sheet at cost to the extent that the fair value cannot be reliably measured.

D Priority Profit Share Revenue comprises Priority Profit Share from 3i Osprey LP. To the extent that there are insufficient partnership profits to allocate the Priority Share of profit, an interest free loan is made to the Company which is included in current liabilities. As this loan is discharged out of surplus profits after future allocations, an amount equal to the shortfall is credited to the income statement and is included in current assets.

E Administrative expenses Administrative expenses includes the management fee paid by the Company to its parent company.

F Income recognition Income is recognised on an accruals basis.

G Financial instruments Financial instruments are made up of other receivables, other payables and cash and cash equivalents. The Directors consider that the fair value of other receivables and other payables approximate their carrying value. The Directors do not believe that the Company is exposed to significant credit risk, liquidity risk, currency risk or interest rate risk and have not taken any specific actions to mitigate these financial risks (see note 10). There are no other financial instruments.

H Other receivables Assets, other than those specifically accounted for under a separate policy, are stated at their cost less impairment losses. They are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated based on expected discounted future cash flows. Any change in the level of impairment is recognised directly in profit or loss. An impairment loss is reversed at subsequent balance sheet dates to the extent that the asset's carrying amount does not exceed its

I Other payables Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which we consider to be payable in respect of goods or services received up to the balance sheet date.

J Income taxes Income taxes represent the sum of the tax currently payable, and deferred tax. Tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the tax is also dealt with in equity.

The tax currently payable is based on the taxable profit for the year. This may differ from the profit included in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit ('temporary differences'), and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Accounting policies

J Income taxes (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the financial statements

1 Revenue

	2009 £	2008 £
Priority profit share	2,814,388	3,458,044
	2,814,388	3,458,044

2 Administrative expenses

	2009 £	2008 £
Auditors remuneration	5,750	-
Management fee	2,673,669	3,285,152
	2,679,419	3,285,152

The audit fee has been disclosed for this year only as in the prior year the fee was borne by the ultimate parent undertaking.

3 Income taxes

There are no taxes in the income statement (2008: £nil)

Reconciliation of total income taxes in the income statement

The tax for the year is different to the standard rate of corporation tax in the UK (28%), (2008: 30%)and the differences are explained below:

	2009 £	2008 £
Profit before tax	134,969	172,892
Profit before tax multiplied by rate of corporation tax in the UK of 28% (2008: 30%)	37,791	51,868
Effects of:		
Non-taxable income	(788,029)	(1,037,413)
Utilisation of tax losses claimed as group relief for nil consideration	750,238	985,545
Total income taxes in the income statement	-	-

Notes to the financial statements

4 Investments

	2009 £	2008 £
Cost		
Opening balance	1	-
Additions	-	1
31 March	1	1
Analysis of investments		
Unlisted:		
3i Osprey LP - capital contribution	1	1

5 Other receivables

	2009 £	2008 £
Amounts due from related undertakings	89,471	-
Other receivables	224,140	628,353
	313,611	628,353

6 Other payables

	2009 £	2008 £
Amounts owed to group undertakings	(5,750)	(455,461)
	(5,750)	(455,461)

7 Share capital

	Number of shares	Amount 2009 £	Amount 2008 £
Authorised ordinary shares of £1 each At 31 March 2009	100	100	100
Allotted, called up and fully paid ordinary shares of £1 each 31 March 2009	1	1	1

Notes to the financial statements

8 Parent undertaking and controlling party

The Company's immediate parent undertaking is 3i Holdings plc.

The Company's ultimate parent undertaking and controlling party is 3i Group plc which is incorporated in Great Britain and registered in England and Wales. Copies of its group financial statements, which include the Company, are available from 16 Palace Street, London, SW1E 5JD.

9 Related parties

During the year the Company entered into transactions, in the ordinary course of business, with various other related parties. The Company has no other key management personnel. Each of these categories of related parties and their impact on the financial statements is detailed below.

Investments in Limited Partnerships

Total revenue in the form of Priority Profit Share from investments 3i Osprey LP is detailed below:

	2009 £	2008 £
Priority Profit Share	2,814,388	3,458,044

As at 31 March 2009, £224,140 was due from 3i Osprey LP and will be paid when 3i Osprey LP receives its next distribution from Anglian Water Group Limited.

Parent company

Management fees
Total fees paid to its parent company for management services, including the amount of accrued fees due at the end of the year, are detailed below:

	2009 £	2008 £
Management fees	2,679,419	2,829,691
Accrued at end of year	-	455,461

The Company's immediate parent undertaking is 3i Holdings plc.

The Company's ultimate parent undertaking and controlling party is 3i Group plc which is incorporated in Great Britain and registered in England and Wales. Copies of its group London, SW1E 5JD.

Notes to the financial statements

10 Financial Risk Management

The company is a subsidiary of 3i Group plc. The Group sets objectives, policies and processed for managing and monitoring risk as set out in the Directors' report in the 3i Group plc annual report. This note provides further information on the specific risks faced by the Company.

The capital structure of the Company consists of equity and intercompany loans which are due on demand. There is sufficent capital in the Company to cover liabilities and the Company is free to transfer capital to the parent company subject to maintaining sufficient reserves to meet statutory obligations. No significant constraints have been identified in the past and the Company have been able to distribute profits in a tax-efficient manner.

Financial risks

Credit Risk

The Directors do not believe that there is significant credit risk as the Company's debtor is a partnership in which 3i Group plc is a Limited Partner and amounts owed are repayable on

Liquidity Risk

Liquidity risk is managed at the Group level as discussed in the Directors' report in the 3i Group plc annual report.

Market Risk

The Directors do not believe that there is significant market risk as the Company does not hold fixed or floating rate loans or liabilities (other than intercompany loans), foreign currency assets or liabilities, or investments which are exposed to market fluctuations.

Currency Risk

There is no currency risk as all balances are disclosed in the functional currency.

Notes to the financial statements

11 Directors' emoluments

None of the Directors received any emoluments in respect of their services to the Company for the year to 31 March 2009 (2008: £nil).

The Directors of the Company are also directors of fellow subsidiaires and receive remuneration from 3i plc. The Directors do not believe that it is practicable to apportion this amount between their services as Directors of the Company and their services as directors of fellow subsidiary companies, however the Directors' services to the Company do not occupy a significant amount of their time.

Four Directors (2008: seven) of the Company accrued retirement benefits under the 3i Group Pension Plan, a defined benefit contributory scheme.

The Company's contritbuiton to pension schemes on behalf of Directors was £nil, (2008 - £nil).

The Directors are granted options in shares of 3i Group plc. The fair value of the services provided to the Company by the Directors cannot be reliabily estimated and as such no share-based payment charge has been allocated to the Company.

3i Osprey LP

Annual report and accounts
for the year to 31 March 2009

3i Osprey LP

Manager's report

3i Osprey LP ("the Partnership") was established on 15 February 2007. The Manager submits its report with the financial statements of the Partnership for the year to 31 March 2009.

Activities and future prospects

The principal activity of the Partnership is to invest exclusively in Anglian Water Group Limited and to carry on the business of an investor in Anglian Water Group Limited.

There have been no changes in activity in the year and the Manager does not foresee any future changes.

The Partnership is a subsidiary of 3i Infrastructure plc ("the Group").

Business review

The total net return for the year amounted to a profit of £18,191,207 (2008: £47,026,533). This comprises amounts attributable to the Partners for the year of £30,655,209 (2008: £11,914,181) which has been allocated to the Partners' profit accounts and an unrealised loss on the revaluation of investments of £12,464,002 (2008: gain of £35,112,352).

£18,548,387 was drawn down from the Partners in the year to purchase preference shares in Anglian Water Group Limited.

Teachers Insurance and Annuity Association of America (TIAA) became an additional limited partner in November 2008.

A summary of movements in investments is given in note 3 to the financial statements.

Principal risks and uncertainties

A description of the principle risks and uncertainties facing the Partnership and the Partnership's risk management policies are set out in note 11 to the accounts. From the perspective of the Partnership, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The principal risks and uncertainties of the Group, which include those of the Partnership, are discussed in the consolidated financial statements of 3i Infrastructure plc, which does not form part of this report.

Key performance indicators

The Directors of 3i Infrastructure plc manage the operations of the Group on a consolidated and investment basis. These management bases do not align directly with the statutory reporting structure of the Group. For this reason the Manager believes that an analysis of the Partnership's results using key performance indicators is neither relevant nor appropriate to the management of the business. The development, performance and position of the Group, which includes the Partnership is discussed in the financial statements of 3i Infrastructure plc.

Taxation

As a limited partnership, the taxation payable on profits is the liability of the partners and accordingly no charge for taxation appears in the financial statements

Partners' interests

A summary of movements in Partners' accounts is given in note 6 to the financial statements.

Manager

The General Partner of the Partnership is 3i Osprey GP Limited which has delegated the responsibility for managing the Partnership to 3i Investments plc ("The Manager").

3i Investments plc has responsibility for managing and operating the Partnership and for managing the investment portfolio.

3i Osprey LP

Manager's report

Statement of Manager's responsibilities

The Manager is responsible for preparing the financial statements in accordance with applicable law and regulations. UK law requires the Manager to prepare financial statements for each financial year. Under that law the Manager has elected to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union.

The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period. In preparing those financial statements the Manager is required to:
- select suitable accounting policies and apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable International Financial Reporting 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 Partnership will continue in business.

The Manager is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and to enable them to ensure that the financial statements comply with the Unlimited Companies and Partnerships (Financial Statements) Regulations 1993. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Going concern

The Manager is satisfied that the Partnership has adequate resources to continue to operate for the foreseeable future. For this reason, it continues to adopt the going concern basis for preparing the financial statements.

Audit information

The Manager confirms that: (a) so far as it is aware, there is no relevant audit information of which the auditors are unaware; and (b) it has taken all steps it ought to have taken to make itself aware of any relevant audit information and to establish that the auditors are aware of such information.

Auditors

Ernst & Young LLP remain in office as auditors of the Partnership.

For and on behalf of 3i Investments plc

Director

Registered Office:
16 Palace Street
London SW1E 5JD
13/8 2009

3i Osprey LP

Independent auditors' report to the Partners of 3i Osprey LP

We have audited the Partnership's financial statements for the year ended 31 March 2009, which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, accounting polices A to I and the related notes 1 to 11. These financial statements have been prepared on the basis of the accounting policies set out therein.

The report is made solely to the Partners of 3i Osprey LP as a body, in accordance with the terms of the Partnership Agreement and the Partnerships and Unlimited Companies (Accounts) Regulations 1993. Our audit work has been undertaken so that we might state to the Partners of 3i Osprey LP those matters we are required to state to them in an auditors' 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 Partners of 3i Osprey LP as a body, for our audit work, for this report or for the opinions we have formed.

Respective responsibilities of Manager and Auditors

As described in the Statement of Manager's Responsibilities, the Manager is responsible for the preparation of the financial statements in accordance with applicable law and International Financial Reporting Standards, as adopted by the European Union.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements are true and fair and comply with the Partnerships and Unregulated Companies (Accounts) Regulations 1993. We also report to you if, in our opinion, the information given in the Manager's Report is consistent with the financial statements.

In addition we report if, in our opinion, the Partnership has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the Manager's Report and consider the implications for our report if we become aware of any apparent misstatement within it.

We read other information contained in the financial statements and consider whether it is consistent with the audit financial statements. This other information comprises only the Additional Information for Partners (Notes a to d). We consider the implication for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Manager in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Partnership's circumstances, consistently applied and adequately disclosed.

Independent auditors' report to the Partners of 3i Osprey LP

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide is with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with International Financial Reporting Standards, as adopted by the European Union, of the state of affairs of the Partnership as at 31 March 2009 and of its net result for the year then ended.
- the financial statements have been properly prepared in accordance with the Partnership Agreement and the Partnerships and Unlimited Companies (Accounts) Regulations 1993; and
- the information in the Manager's Report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditors
London
18 August 2009

3i Osprey LP

Income statement

for the year to 31 March 2009

	Notes	Year to 31 March 2009 £	15 February 2007 to 31 March 2008 £
Portfolio income	1	33,411,224	15,381,264
Administrative expenses	2	(2,826,098)	(3,470,770)
Other interest receivable		70,083	3,687
Amount available for allocation among Partners		30,655,209	11,914,181
Unrealised (loss)/ profit on the revaluation of investments	3	(12,464,002)	35,112,352
Total net return for the year		18,191,207	47,026,533

All items in above statement are derived from continuing operations.

The Partnership has no recognised gains or losses other than those shown above therefore a statement of total recongised income and expense has not been presented.

The notes on pages 10 - 17 form an integral part of these financial statements.

3i Osprey LP

Balance sheet

as at 31 March 2009

	Notes	2009 £	2008 £
Assets			
Non-current assets			
Investments held at fair value through profit or loss	3	218,021,742	211,937,357
Loans and receivables	3	74,516,129	74,516,129
		292,537,871	286,453,486
Current assets			
Trade and other receivables	4	1,842,929	2,490,928
Cash and cash equivalents		131,928	53,670
		1,974,857	2,544,598
Total assets		294,512,728	288,998,084
Liabilities			
Current liabilities			
Trade and other payables	5	(273,869)	(635,121)
Net assets		294,238,859	288,362,963
Represented by:			
Loans and other debts due within one year			
Members' capital classified as liability under IAS 32	6	229,020,849	241,336,178
Equity			
Member's capital classified as equity under IAS 32	6	270	252
Profit account	6	42,569,390	11,914,181
Total Partners' funds		271,590,509	253,250,611
Unrealised reserve	7	22,648,350	35,112,352
		294,238,859	288,362,963

All items in the above statements are derived from continuing operations
The notes on pages 10 - 17 form an integral part of these financial statements.

For and on behalf of 3i Investments plc

13/8 2009

3i Osprey LP

Cash flow statement

for the year to 31 March 2009

	Year to 31 March 2009 £	15 February 2007 to 31 March 2008 £
Amount available for allocation among Partners	30,655,209	11,914,181
Decrease/(increase) in receivables	647,999	(2,490,928)
(Decrease)/increase in payables	(361,252)	635,121
Net cash flow from operating activities	30,941,956	10,058,374
Cash flow from investing activities		
Purchase of investments	(18,548,387)	(251,341,134)
Net cash flow from investing activities	(18,548,387)	(251,341,134)
Cash flow from financing activities		
Capital contributions made	18	252
Drawdowns from Partners	18,548,387	251,341,134
Distributions to Partners	(30,863,716)	(10,004,956)
Net cash flow from financing activities	(12,315,311)	241,336,430
Cash and cash equivalents at 1 April 2008	53,670	-
Increase in cash and cash equivalents	78,258	53,670
Cash and cash equivalents at 31 March 2009	131,928	53,670

The notes on pages 10 - 17 form an integral part of these financial statements.

3i Osprey LP

Accounting policies

A Statement of compliance These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and their interpretations issued or adopted by the International Accounting Standards Board as adopted for use in the European Union ("IFRS").

These financial statements have been prepared in accordance with and in compliance with the requirements of the Limited Partnership Agreement of the Partnership and with the Partnership and Unlimited Companies (Accounts) Regulations 1993.

New standards and interpretations not applied - The IASB has issued the following standards and interpretations to be applied to financial statements with periods commencing on or after the following dates:

International Accounting Standards (IAS/IFRS's)	Effective for periods beginning on or after
IFRS 2 Amendment - Share-based payments: Vesting conditions and cancellations	1 January 2009
IFRS 8 Operating Segments	1 January 2009
IAS 1 Presentation of Financial Statements (Revised)	1 January 2009
IAS 23 Borrowing Costs (Revised)	1 January 2009
IAS 27 Amendment - Consolidation and Separate Financial Statements	1 July 2009
IFRS 3 Business Combinations (Revised)	1 July 2009
IAS 32/IAS 1 Amendment - Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
IAS 39 - Eligible Hedged Items	1 July 2008
IFRIC 15 Agreements for the construction of Real Estates	1 January 2009
IFRIC 16 Hedges of a Net Investment in a Foreign Operation	1 October 2008
IFRIC 13 Customer Loyalty Payments	1 July 2008
IAS39/IFRS7 Reclassification of Financial Assets	1 July 2008
IFRIC 9/IAS 39 Amendment - Embedded Derivatives	1 July 2008
IFRS 1/IAS 27 Amendment - Cost of all investment in a subsidiary:jointly controlled entity of associate	1 January 2009
IFRS 7 Amendment - Improving disclosures about financial instruments	1 January 2009
IFRS 1 Structural Amendment (Revised)	1 July 2009
IFRIC 17 Distributions of non-cash assets to owners	1 July 2009
IFRIC 18 Transfer of Assets from customers	1 July 2009

The Manager does not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application.

B Basis of preparation The financial statements are presented in sterling, the functional currency of the Partnership.

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The most significant techniques for estimation are described in the accounting policies below.

It is anticipated in the Limited Partnership Agreement that the Partnership will eventually be wound up. In accordance with IAS 32, financial instruments are classified between equity and liabilities in accordance with the substance of the contractual arrangements.

Accounting policies

C Investments Investments are recognised and derecognised on a date where the purchase or sale of an investment is under a contract whose terms require the delivery or settlement of the investment. Investments are managed with a view to profiting from the receipt of interest and dividends and changes in the fair value of equity investments. Therefore, all quoted investments and unquoted equity investments are designated as at fair value through profit or loss and subsequently carried in the balance sheet at fair value. Other investments including loan investments and fixed income shares are classified as loans and receivables and subsequently carried in the balance sheet at fair value less amortised cost. All investments are initially recognised at the fair value of the consideration given and held at this value until it is appropriate to measure fair value on a different basis, applying the Managers valuation policies which is to value the asset on a Discounted Cash Flow basis ("DCF"). Acquisition costs are attributed to equity investments and recognised immediately in the income statement.

The valuations incorporate observable market data about market conditions and other factors that are likely to affect the instruments' fair values.

D Revenue recognition Revenue represents the overall increase in net assets from the investment portfolio net of deal-related costs but excluding exchange movements. Revenue income is analysed into the following components:

i Realised profits over cost on the disposal of investments is the difference between the fair value of the consideration received less any directly attributable costs, on the sale of equity and the repayment of loans and receivables, and its fair value. Realised profits are recognised in the income statement.

ii Unrealised profits on the revaluation of investments is the movement in carrying value of investments between the start and end of the accounting period converted into sterling using the exchange rates in force at the date of the movement.

iii Portfolio income is that portion of income that is directly related to the return from individual investments. It is recognised to the extent that it is probable that there will be economic benefit arising from the investment and the income can be reliably measured. The following specific recognition criteria must be met before the income is recognised:

- Income from loans and other receivables is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable.
- Dividends from equity investments are recognised when the shareholders' rights to receive payment have been established except to the extent that dividends, paid out of pre-acquisition reserves, adjust the fair value of the equity investment.

Accounting policies

E Administrative expenses All reasonable costs incurred with the management of the Partnership are charged to the income statement on an accruals basis in accordance with the agreement between the Partners.

F Loan to General Partners To the extent that there is insufficient net income to allocate against the General Partners' drawings, the balance of the drawings takes the form of an interest free loan. This loan is not recoverable from the General Partner other than by future allocations of net income in accordance with the agreement between the Partners. Such allocations will have priority over allocations to other Partners.

G Cash and cash equivalents Cash and cash equivalents in the balance sheet comprise cash at bank and in hand with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents comprise cash as defined above.

H Other receivables Assets, other than those specifically accounted for under a separate policy are stated at their cost less impairment losses. They are reviewed at each balance sheet date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated based on expected discounted future cash flows. Any change in the level of impairment is recognised directly in the income statement. An impairment loss is reversed at subsequent balance sheet dates to the extent that the asset's carrying amount does not exceed its original cost. The Manager considers that the fair value of accounts receivable approximates to their carrying value.

I Other payables Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which we consider to be payable in respect of goods or services received up to the balance sheet date. The Manager considers that the fair value of accounts payable approximates to their carrying value.

Notes to the financial statements

1 Portfolio income

	Year to 31 March 2009 £	15 February 2007 to 31 March 2008 £
Dividend income	25,931,869	7,692,882
Interest income	7,479,355	7,688,382
	33,411,224	15,381,264

2 Administrative expenses

	Year to 31 March 2009 £	15 February 2007 to 31 March 2008 £
Administrative expenses are stated after charging:		
General Partners priority profit share	2,814,388	3,458,045
Auditors' remuneration	4,000	5,000

3 Investments

	Unquoted equity £	Loans and Receivables £	Total £
Fair value at 1 April 2008	211,937,357	74,516,129	286,453,486
Additions	18,548,387	-	18,548,387
Unrealised loss on revaluation	(12,464,002)	-	(12,464,002)
Fair value at 31 March 2009	218,021,742	74,516,129	292,537,871

	Unquoted equity £	Loans and Receivables £	Total £
Opening balance			-
Additions	176,825,005	74,516,129	251,341,134
Unrealised gain on revaluation	35,112,352	-	35,112,352
Fair value at 31 March 2008	211,937,357	74,516,129	286,453,486

4 Trade and other receivables

	2009 £	2008 £
Accrued income	1,842,929	2,490,928
	1,842,929	2,490,928

Notes to the financial statements

5 Trade and other payables

	2009 £	2008 £
Amounts owed to the General Partner	224,140	628,354
Other payables	49,729	6,767
	273,869	635,121

6 Partners' accounts

	Capital contributions £	Loans £	Profits £	Total £
Total partners' funds at 1 April 2008	252	241,336,178	11,914,181	253,250,611
Drawdowns	18	18,548,387	-	18,548,405
Amount available for allocation amongst partners	-	-	30,655,209	30,655,209
Distributions	-	(30,863,716)	-	(30,863,716)
Total partners' funds at 31 March 2009	270	229,020,849	42,569,390	271,590,509

	Capital contributions £	Loans £	Profits £	Total £
Total partners' funds at 15 February 2007	-	-	-	-
Drawdowns	252	251,341,134	-	251,341,386
Amount available for allocation amongst partners	-		11,914,181	11,914,181
Distributions	-	(10,004,956)	-	(10,004,956)
Total partners' funds at 31 March 2008	252	241,336,178	11,914,181	253,250,611

Notes to the financial statements

7 Unrealised reserve

	Unrealised reserve £
Year to 31 March 2009	
Opening balance	35,112,352
Unrealised movement	(12,464,002)
Balance at 31 March 2009	22,648,350
Period to 31 March 2008	
Opening balance	-
Unrealised movement	35,112,352
Balance at 31 March 2008	35,112,352

8 Income taxes

No provision for taxation has been made as the Partnership has no liability to taxation. Any taxation arising on the income and gains of the Partnership is payable by the individual Partners.

Notes to the financial statements

9 Related parties

During the year the Partnership entered into transactions, in the ordinary course of business, with other related parties. Each of these categories of related parties and their impact on the financial statements is detailed below. The Partnership has no key management personnel.

Limited Partners

Transactions with Limited Partners in the form of allocations of profit and drawdowns and distributions of cash and tax credits, including balances at the year end, are detailed in note 6.

General Partners

The Partnership pays a Priority Profit Share to its General Partner. To the extent that there is insufficient income to allocate against the General Partners' drawings, the balance takes the form of an interest free loan. The transactions with the General Partner are detailed in note 2. The balance outstanding on the General Partner share at the end of the year is £224,140 (2008: £628,354).

10 Controlling party

In addition to being an investing partner in the Partnership, 3i Infrastructure plc is considered to be the ultimate controlling party. Copies of the consolidated 3i Infrastructure plc ("the Group") financial statements which include the results of the Partnership are available from 22 Grenville Street, St Helier, Jersey JE4 8PX.

11 Financial risk management

Concentration risk is managed at the Group level as discussed in the Risks and Uncertainties section in the 3i Infrastructure plc annual report. The Partnership is exposed to risk based on its sole investment in Anglian Water Group Limited.

The capital structure of the Partnership consists of equity and loan commitments made by limited partners in accordance with the Limited Partnership Agreement dated 14th February 2007. Hence, the Manager believes that the Partnership has sufficient capital to cover its liabilities. The Partnership is free to return realised surplus profits to the partners in accordance with the Partnership Agreement. No restrictions exist in respect of the distribution of surplus realised profits. Profits are allocated to each partner in proportion to their profit entitlements in accordance with the Partnership Agreement.

Credit Risk
The partnership takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts when they fall due.

The Manager does not believe that there is significant credit risk as amounts owed by the Partnership's debtors are due from other Group entities and repayable on demand, or from investee companies for which the performance and ability to meet obligations are closely monitored.

The Partnership is also exposed to credit risk in relation to outstanding loan contributions from its limited partners.

Loan commitments are made under the partnership agreement signed by all parties so that all members of the Partnership are aware of their commitments. The Manager communicates regularly with all the members of the Partnership to make them aware of likely future capital requirements and provide explanations for investment

Market Price Risk
The Partnership is exposed to market price risk in relation to the fair value of its direct investments. Volatility in the market value of direct investments is considered to be limited due to the predictable nature of the cash flows that are received from the underlying infrastructure investments.

3i Osprey LP

Additional information for Partners

a General Partner's share and loan to General Partner

The General Partner's share for the period 15 February 2007 to 12 August 2007 was calculated on the basis of an annual rate of 1.5% on all loan commitments made to the Partnership. The General Partner's share for the period from 13 August 2007 to 31 March 2009 in respect of each quarter is 0.25% of the Partnership's assets.

	Year to 31 March 2009	15 February 2007 to 31 March 2008
	£	£
General Partner's share for the year	(2,814,388)	(3,458,045)
Satisfied by allocation of income for the year	2,814,388	3,458,045

b Partners' commitments and capital contributions

	Commitment at 31 March 2009		Capital contributions at	
			31 March 2009	31 March 2008
	£	%	£	£
Founder Partner				
3i Group plc		17.037%	46	86
General Partner				
3i Osprey GP Limited		0.370%	1	1
Investing Partner				
3i Infrastructure plc		55.556%	150	140
Hermes Infrastructure I LP		10.000%	27	25
Teachers Insurance and Annuity Association of America		17.037%	46	-
		100%	270	252

3i Osprey LP

Additional information for Partners

c Partners' loan accounts

	At 1 April 2008 £	Drawdowns £	Distributions £	Rebalancing £	At 31 March 2009 £
Founder Partner					
3i Group plc	82,367,857	(33,723,440)	(9,462,183)	119,577	39,301,811
General Partner					
3i Osprey GP Limited	-	-	-	-	-
Investing Partner					
3i Infrastructure plc	134,175,674	10,331,672	(17,191,232)	251,222	127,567,336
Hermes Infrastructure I LP	24,792,647	1,850,611	(3,079,388)	(713,980)	22,849,890
Teachers Insurance and Annuity Association of America	-	40,089,544	(1,130,913)	343,181	39,301,812
	241,336,178	18,548,387	(30,863,716)	-	229,020,849

d Partners' profit accounts

	At 1 April 2008 £	Appropriations £	Distributions Cash £	Distributions Tax £	At 31 March 2009 £
Founder Partner					
3i Group plc	2,902,282	4,777,708	-	-	7,679,989
General Partner					
3i Osprey GP Limited	3,458,045	224,140	2,590,248	-	6,272,433
Investing Partner					
3i Infrastructure plc	4,710,169	15,507,668	-	-	20,217,837
Hermes Infrastructure I LP	843,686	2,777,737	-	-	3,621,423
Teachers Insurance and Annuity Association of America	-	4,777,708			4,777,708
	11,914,181	28,064,961	2,590,248	-	42,569,390