

**PIP Infrastructure
Investments (No 6) Limited**

**(formerly Aberdeen Infrastructure
Investments (No 6) Limited)**

**Annual Report and Audited
Financial Statements**

For the year ended 31 December 2017

Company Number 08062999



PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

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PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

SUMMARY OF DIRECTORS AND ORGANISATION

DIRECTORS:	M S Amin (resigned on 5 December 2017) K Brown (resigned on 5 December 2017) G D Cohen (resigned on 5 December 2017) I H-Y Wong (resigned on 5 December 2017) P Burgess (appointed on 5 December 2017) N T Cole (appointed on 5 December 2017) E A Wilson (appointed on 5 December 2017)
REGISTERED OFFICE:	Windsor House Bayshill Road Cheltenham England GL50 3AT
ADMINISTRATOR AND SECRETARY:	State Street (Guernsey) Limited P.O. Box 543 First Floor Dorey Court Admiral Park St Peter Port Guernsey GY1 6HJ
INDEPENDENT AUDITOR:	PricewaterhouseCoopers CI LLP P.O. Box 321 Royal Bank Place 1 Glatigny Esplanade St Peter Port Guernsey GY1 4ND
BANKER:	Lloyds Bank plc 4th Floor 48 Chiswell Street London EC1Y 4XX
INVESTMENT MANAGER:	Aberdeen Fund Managers Limited (until 6 December 2017) Bow Bells House 1 Bread Street London England EC4M 9HH PIP Manager Limited (from 6 December 2017) Birchin Court 20 Birchin Lane London England EC3V 9DU

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 December 2017

The Directors present their annual report and audited financial statements for PIP Infrastructure Investments (No 6) Limited (the "Company") for the year ended 31 December 2017.

Incorporation

The Company was incorporated on 9 May 2012 as Aberdeen Infrastructure Investments (No 6) Limited. The Company changed its name to PIP Infrastructure Investments (No 6) Limited on 6 December 2017. The Company's registration number is 8062999.

Financial risk management

The key risks and uncertainties faced by the Company are managed within the framework established for the Investment Manager by the Directors. Exposures to market risk, credit risk and liquidity risk arise in the normal course of the Company's business. These risks are discussed, and supplementary qualitative and quantitative information is provided in Note 13 to the financial statements. The Company was funded by its parent undertaking, Aberdeen UK Infrastructure Partners LP (the "Fund"), and as a result liquidity risk was managed by the Directors and the Investment Manager in conjunction with the Fund until 6 December 2017. From 6 December 2017, the Company is now funded by its new parent undertaking, PIP Multi-Strategy Infrastructure LP ("PIP MSI LP"), and as a result liquidity risk is managed by the Directors and the Investment Manager in conjunction with PIP MSI LP.

Results and dividends

The Company's total comprehensive income for the year was GBP274,076 (2016: loss GBP18,000). No dividends were paid during the year (2016: GBPnil).

Future developments

The Company remains committed to the business of holding investments and will continue to manage its existing and new investments in the future.

Directors and their interests

The Directors at the date of this report are as stated on page 1.

M S Amin, K Brown, G D Cohen and I H-Y Wong were all Directors until 5 December 2017 when they resigned. P Burgess, N T Cole and E A Wilson were appointed on 5 December 2017. They are all Directors of PIP Infrastructure Investments (No 5) Limited ("PIP II No 5"). P Burgess and E A Wilson are also Directors of PIP PPP Limited and PIP Multi-Strategy Infrastructure Limited which is the General Partner of PIP MSI LP.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the audited financial statements in accordance with applicable laws (the Companies Act 2006 (the "Act")).

The Act requires the Directors to prepare financial statements for each financial year. Under the Act, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs"). Under the Act, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

For the year ended 31 December 2017

Statement of Directors' responsibilities in respect of the financial statements (continued)

In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the Company and enable the Directors to ensure that the financial statements comply with the Act and IFRSs. 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.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Audit information

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they each are aware, there is no relevant audit information of which the Company's Independent Auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Independent Auditor is aware of that information.

Subsequent events

Subsequent to the year end, Carillion plc ("Carillion") filed for compulsory liquidation on 15 January 2018. At the year end the Company had made investments which expose it to Carillion through two of its PPP/PFI projects. Due to Carillion being unable to fulfil its contractual obligations on these projects a reduction in the value of the Investment Portfolio, which was being held at amortised cost, of £15.6m has been made.

Management are not aware of any other matters or circumstances arising since 31 December 2017, not otherwise dealt with in the Financial Statements which significantly affects the financial position of the Company and the results of its operation.

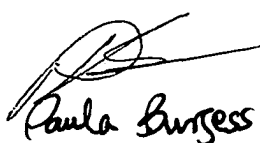
Going concern

The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the Directors have taken into account all available information about the foreseeable future and consequently the going concern basis is appropriate in preparing the financial statements.

Independent auditor

PricewaterhouseCoopers CI LLP have indicated their willingness to continue in office for next year. The decision to reappoint PricewaterhouseCoopers CI LLP next year will be under consideration by the directors.

By order of the Board,



Director

3 September 2018

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

STRATEGIC REPORT

For the year ended 31 December 2017

The Directors present their strategic report on the Company for the year ended 31 December 2017.

Results and review of business

The total comprehensive result for the year is set out in the Statement of Comprehensive Income on page 10. The Directors consider the performance of the Company during the year and its financial position at the end of the year, to be in line with the long term expected performance of the project. Post year end, the investment into Royal Liverpool Hospital was written down to nil (see Note 20), however in lieu of this, the Directors still consider the prospects for the future to be satisfactory.

Principal activities

The Company was established and operated as an investment holding company for its parent, the Fund, until 6 December 2017, to invest in primary social and economic infrastructure projects in the UK which offer investors the opportunity to earn attractive risk adjusted returns with a low correlation to economic cycles and other investment classes for its projected 10 year life. On 6 December 2017, the Company was sold to PIP MSI LP, it continues to operate as an investment holding company within the PIP MSI LP group structure.

The Company will invest in social and economic infrastructure projects (including health, defence, education, social housing, government accommodation, custodial facilities, roads, bridges, rail and waste management) underpinned by long term secure government contracts characterised by stable, predictable, availability based cash flows.

There has been no change in the activity during the year. The Company holds PIP MSI LP's debt portfolio in high quality, Private Finance Initiative ("PFI")/Public Private Partnerships ("PPP") assets. This portfolio was funded by PIP MSI LP and through the Company's issuance of a Eurobond acquired by PIP MSI LP.

Principal risks and uncertainties

The key risks and uncertainties faced by the Company are managed within the framework established for the Investment Manager by the Directors. Exposures to market risk, credit risk and liquidity risk arise in the normal course of the Company's business. These risks are discussed, and supplementary qualitative and quantitative information is provided in Note 13 to the financial statements. The Company was funded by its immediate parent undertaking, the Fund, and as a result liquidity risk was managed by the Directors and the Investment Manager in conjunction with the Fund until 6 December 2017. From 6 December 2017, the Company is now funded by its parent undertaking, PIP MSI LP, and as a result liquidity risk is managed by the Directors and the Investment Manager in conjunction with PIP MSI LP.

Key performance indicators

The Directors of the Company consider its operations to be consistent with those at the level of PIP MSI LP. For this reason, the Company's Directors believe that analysis using key performance indicators is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company.

By order of the Board,



Director

3 September 2018



Independent auditor's report to the members of PIP Infrastructure Investments (No 6) Limited

Report on the audit of the financial statements

Opinion

In our opinion, PIP Infrastructure Investments (No 6) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2017; the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

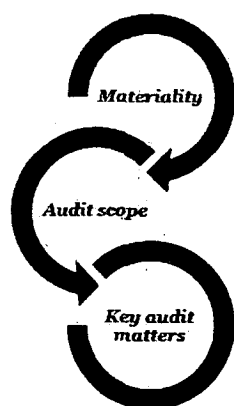
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit 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, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



- Overall materiality: £2,030,000 based on 1% of total assets.
 - PIP Infrastructure Investments (No 6) Limited (the "Company") operates as an investment holding vehicle for its parent, PIP Multi Strategy Infrastructure LP ("PIP MSI LP"). The bookkeeping and administration of the Company are delegated to and carried out by State Street (Guernsey) Limited (the "Administrator"). Financial statements of the Company are prepared by the Administrator and then reviewed by the representatives of PIP Manager Limited (the "Investment Manager") and approved by the directors of the Company. As part of the planning process the audit team visited the Investment Manager in London but substantially completed the audit work in Guernsey working alongside the Administrator.
 - We performed the audit of the Company for the year ended 31 December 2017. Our audit was scoped by obtaining an understanding of the entity and environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
 - Recoverability of debt securities.
-

Independent auditor's report to the members of PIP Infrastructure Investments (No 6) Limited (continued)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditor's professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditor, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<p><i>Recoverability of debt securities</i></p> <p>The Company is a wholly owned subsidiary of PIP MSI LP. It holds subordinated debt ("debt securities") in a portfolio of Private Finance Initiative ("PFI") and Public Private Partnerships ("PPP") projects ("the PFI/PPP projects"). Note 7 of the financial statements illustrates the movements in debt securities for the financial year.</p> <p>As described in the Critical Accounting Estimates and Judgement's Note (Note 14 in the financial statements), these debt securities are accounted for at amortised cost and assessed for recoverability by the directors through the use of cash flow models of the underlying PFI/PPP projects.</p> <p>The recoverability of these debt securities has been assessed as a key audit matter due to the significant judgement required and assumptions applied in determining the appropriate values of the projects in which the debt securities are held.</p> <p>The key areas of judgement concern the following factors in the valuation methodology:</p> <ul style="list-style-type: none">• Discount rates - the determination of the appropriate discount rate for each PFI/PPP project that is reflective of current market and industry conditions (i.e. macro-economic assumptions such as interest rates, inflation rates, the effects of the political developments and trends on these assumptions) and the specific risks as applicable to each project; and• Forecast future cash flows - enhancements made to underlying project cash flows from the PFI/PPP projects.	<p><i>Controls evaluation:</i></p> <p>The Company operated under the control environment implemented by the directors alongside that of the appointed Administrator and investment manager, Aberdeen Asset Managers Limited up until the change of ownership on 6 December 2017. We obtained an understanding of the design and implementation of controls in operation over the projects valuations, and tested the operating effectiveness of the periodic review and approval of the three quarter-end valuations (i.e. March 2017, June 2017 and September 2017) prepared by the Investment Manager and reviewed by the Aberdeen Alternatives Pricing Committee.</p> <p>From 6 December 2017, the directors appointed the new Investment Manager, PIP Manager Limited to support with the management of the company. We have obtained an understanding of the new valuation controls operated by the new Investment Manager but not sought to place reliance on these at the year end.</p> <p><i>Substantive procedures:</i></p> <p>On 6 December 2017, PIP MSI LP acquired the Company inclusive of its assets and liabilities. The acquisition price of the Company was supported with a discounted cash flow model for each PFI/PPP project ("the DCF models") and it was these DCF models that the directors used to assess the recoverability of the debt securities in the Company at the year end.</p> <p>An independent third party expert was engaged by management to support in the evaluation of the cash flows, the viability of the PFI/PPP projects (inclusive of the recoverability of the debt securities) and ultimately the acquisition price. We assessed the professional competence of the valuation expert, and identified no issues.</p> <p>We have obtained the purchase agreement and reconciled the Company's share of the gross project cash flows from the DCF models to the purchase agreement.</p> <p>The audit engagement team verified the appropriateness of the design of the DCF models and tested the integrity of the DCF models by:</p> <ul style="list-style-type: none">• Recalculating the total net present value of the projects by applying the respective discount rates recommended by Management's expert (and reconciled this to the purchase agreement);

Independent auditor's report to the members of PIP Infrastructure Investments (No 6) Limited (continued)

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
	<ul style="list-style-type: none"> Recalculated the DCF models to ensure their mathematical accuracy; and On a sample basis, we compared the discount rates applied by Management and based on investments of a similar nature and available market data points considered them to be within a reasonable range. <p>Based upon the purchase agreement we have noted that the anticipated discounted cash flows from the PFI/PPP projects are in excess of the carrying value of the debt securities thus providing evidence regarding the recoverability of the debt securities at the year end.</p> <p>Further to our review of the purchase agreement, we obtained the latest audited financial statements of the respective holding companies that operate the PFI/PPP projects. We have inspected the financial statements for evidence of any potential financial impairment, i.e. net asset/liability position, adequacy of cash reserves and any evidence of any liquidity constraints.</p> <p>We have also carried out internet searches on the holding companies that operate the PFI/PPP projects to identify any adverse news with regards to their financial or operational performance.</p> <p>From our review of the financial statements and internet based searches we did not identify any matters that were indicative of an impairment at the year end.</p> <p>We have verified that the PFI/PPP projects have fulfilled their current obligations with regards to their debt securities, as capital and interest due for payment have been received by the company during the year. We agreed cash flows received during the year from the PFI/PPP project companies to the DCF models.</p> <p>Based on the audit work performed, no issues were identified regarding the recoverability of the debt securities at the year end.</p> <p>There has been an event subsequent to the year end that has brought significant doubt over the recoverability of the debt securities of one of the PFI/PPP projects. This event is described in Note 20 to the financial statements. We have carried out internet searches and reviewed news feeds on and around the year end to support Management's assessment that the potential financial implications represent a non-adjusting post balance sheet event.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Independent auditor's report to the members of PIP Infrastructure Investments (No 6) Limited (continued)

Overall materiality	£2,030,000
How we determined it	1% of total assets.
Rationale for benchmark applied	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the company, and is a generally accepted auditing benchmark.

We agreed with the directors that we would report to them misstatements identified during our audit above £101,500 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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 auditor's 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 Report of the Directors, 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 Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 December 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 Report of the Directors.

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 in respect of the financial statements set out on page 2 and 3, 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.

Independent auditor's report to the members of PIP Infrastructure Investments (No 6) Limited (continued)

Auditor's 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 auditor's 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 auditor's 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.

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.



Adrian Peacegood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Guernsey, Channel Islands
3 September 2018

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	<i>Notes</i>	2017 GBP	2016 GBP
INCOME			
Interest income	3	16,805,723	8,630,375
Other investment income	4	922,756	2,127,327
Total income:		17,728,479	10,757,702
EXPENSES			
Administration fees		8,958	8,904
Auditor's remuneration	5	6,700	6,695
Bank charges		41	190
Commitment fees	19	(14,175)	(66,140)
Eurobond interest	16	16,352,132	8,447,159
Management fees	16	585,171	878,422
Filing and regulatory fees		5,125	5,470
Professional fees		47,196	54,915
Total expenses		16,991,148	9,335,615
Operating profit		737,331	1,422,087
FINANCE COSTS			
Credit facility interest	19	467,798	1,422,087
Profit on ordinary activities before tax		269,533	-
Tax	6	4,543	(18,000)
Profit / (loss) on ordinary activities after tax		274,076	(18,000)
Total comprehensive income / (loss) for the year		274,076	(18,000)
Attributable to Equity holder:			
Total comprehensive income / (loss) for the year		274,076	(18,000)

The notes on pages 14 to 29 form part of these financial statements.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Notes	2017 GBP	2016 GBP
Assets			
Non-current assets			
Loans and receivables			
Debt Securities	7	197,027,847	126,587,488
Total non-current assets		197,027,847	126,587,488
Current assets			
Receivables and prepayments	8	5,658,279	3,972,149
Cash and cash equivalents		155,866	3,140,351
Total current assets		5,814,145	7,112,500
Total assets		202,841,992	133,699,988
Equity and liabilities			
Equity			
Share capital	9	1	1
Share premium	10	45,067	45,067
Retained earnings / (losses)		255,614	(18,462)
Total equity		300,682	26,606
Liabilities			
Non-current liabilities			
Eurobond capital	11	198,371,112	126,307,738
Total non-current liabilities		198,371,112	126,307,738
Current liabilities			
Eurobond interest payable		4,143,058	4,485,996
Payables and accruals	12	27,140	1,979,648
Loans and borrowings	19	-	900,000
Total current liabilities		4,170,198	7,365,644
Total equity and liabilities		202,841,992	133,699,988

The financial statements were authorised for issue by the Board of the Directors of the Company and signed on its behalf by:


 Paula Burgess
 Director
 3 September 2018

The notes on pages 14 to 29 form part of these financial statements.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED**STATEMENT OF CHANGES IN EQUITY**
For the year ended 31 December 2017

	Share capital GBP	Share premium GBP	Retained (losses) / earnings GBP	Total equity GBP
Balance at 1 January 2016	1	45,067	(462)	44,606
Total comprehensive loss for the year	-	-	(18,000)	(18,000)
Balance at 31 December 2016	1	45,067	(18,462)	26,606
Balance at 1 January 2017	1	45,067	(18,462)	26,606
Total comprehensive income for the year	-	-	274,076	274,076
Balance at 31 December 2017	1	45,067	255,614	300,682

The notes on pages 14 to 29 form part of these financial statements.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December 2017

	<i>Notes</i>	2017 GBP	2016 GBP
Cash flows from operating activities:			
Total comprehensive income / (loss) for the year		274,076	(18,000)
Adjustments for:			
Capitalised interest - Debt Securities	7	(10,002,794)	(4,908,457)
Capitalised interest - Eurobond capital	11	11,384,612	5,711,057
		<hr/> 1,655,894	<hr/> 784,600
Debt Securities principal advanced	7	(63,025,876)	(52,349,307)
Repayments of Debt Securities	7	2,588,311	75,211
Eurobond capital issued	11	63,025,876	52,349,307
Eurobond capital repaid	11	(2,347,114)	(75,211)
Increase in receivables and prepayments	8	(1,686,130)	(1,459,924)
(Decrease) / increase in payables and accruals	12	(1,952,508)	788,076
(Decrease) / increase in Eurobond interest payable		(342,938)	2,736,102
Net cash flow (used in) / generated from operating activities		<hr/> (2,084,485)	<hr/> 2,848,854
Cash flows from financing activities			
Repayment of bank borrowings		(900,000)	-
Net cash flow used in financing activities		<hr/> (900,000)	<hr/> -
Net (decrease) / increase in cash and cash equivalents		<hr/> (2,984,485)	<hr/> 2,848,854
Cash and cash equivalents at 1 January		3,140,351	291,497
Cash and cash equivalents at 31 December		<hr/> 155,866	<hr/> 3,140,351

The notes on pages 14 to 29 form part of these financial statements.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Windsor House, Bayshill Road, Cheltenham, England, GL50 3AT.

The Company operates as an investment holding company.

These financial statements were authorised for issue by the Board of Directors of the Company on 3 September 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the year, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company have been prepared on a going concern basis in accordance with applicable law (i.e. the Companies Act 2006) and IFRSs. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in accordance with IFRSs requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 14.

(a) Standards and amendments to existing standards effective 1 January 2017

Amendments to IAS 7, 'Statement of Cash Flows' became effective for annual periods beginning on or after 1 January 2017. These amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Adoption of these amendments did not have a material impact on the Company's financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2017 that would be expected to have a material impact on the Company.

(b) New standards, amendments and interpretations effective after 1 January 2017 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(b) New standards, amendments and interpretations effective after 1 January 2017 and have not been early adopted (continued)

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued on 24 July 2014. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the IFRS 9 retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The effective date in place for IFRS 9 is 1 January 2018. IFRS 9 also introduces a new expected credit loss impairment model. No material impact is expected from the application of the new impairment model. Pursuant to the issue and impending adoption of IFRS 9 (Financial Instruments), management have assessed the current classification of the financial instruments disclosed in the financial statements and have concluded that no change is required to be made as the classification of financial instruments as they currently stand is in line with the new standards recommendations.

IFRS 15, 'Revenue from Contracts with Customers', specifies how a company should recognise revenue, as well as requiring those companies to provide users of financial statements with more informative and relevant disclosures. It will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard provides a single, principles based five-step model to be applied to all contracts with customers. Pursuant to the issue and impending adoption of IFRS 15 (Revenue from Contracts with Customers), management have assessed the income streams disclosed in the financial statements and have concluded that no change is required to be made as the recognition methodology of income as it currently stands is in line with the new standards recommendations.

2.2 Foreign currency translation

(a) Functional and presentation currency

The operating and investing activities of the Company is denominated in Pound Sterling ("GBP"). As such the performance of the Company is measured and reported in GBP. The Directors consider GBP as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Company. The financial statements are presented in GBP, the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the Statement of Financial Position date.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income.

2.3 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Loans and receivables (continued)

(i) those that the Company intends to sell immediately or in the short-term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss;

(ii) those that the Company upon initial recognition designates as available for sale; or

(iii) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are initially recognised at fair value which is the cash consideration to originate or purchase the loan including any transaction costs and measured subsequently at amortised cost using the effective interest rate method. Loans and receivables are reported in the Statement of Financial Position as 'Debt Securities'. Interest on loans is included in the Statement of Comprehensive Income and is reported as 'Interest income'. In the case of an impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognised in the Statement of Comprehensive Income as 'Impairment to loans and receivables'. If in a subsequent period, there is objective evidence that the Company will be able to collect all debt securities, the impairment to loans and receivables is reversed through the Statement of Comprehensive Income.

A provision for impairment is established when there is objective evidence at the reporting date that the Company will not be able to collect all amounts due to be received. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount to be received is impaired. Once a financial asset or a vehicle of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument - or, when appropriate, a shorter period - to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Directors estimate cash flows considering all contractual calculations which include all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.4 Receivables and prepayments

Receivables are initially recognised at fair value and measured subsequently at amortised cost using the effective interest rate method. Prepayments are amounts paid in advance and amortised over the relevant period.

2.5 Cash and cash equivalents

Cash and cash equivalents consist of cash balances that are freely available and other cash balances with an original maturity of three months or less, and bank overdrafts. As at 31 December 2017 and 31 December 2016, the carrying amounts of cash and cash equivalents approximate their fair value.

2.6 Share premium

Share premium is recognised for the consideration received in excess of the par value of shares issued.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Payables and accruals

Payables and accruals are initially recognised at fair value and subsequently stated at amortised cost using the effective interest rate method. Payables and accruals are derecognised when the obligation under the liability is discharged or cancelled or expires.

2.8 Loans and borrowings

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred and are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowing using the effective interest method.

2.9 Eurobond capital and Eurobond interest

Eurobond capital is a financial liability within the scope of IAS 39 and is classified as an other liability. Other liabilities are initially recognised at fair value less directly attributable transaction costs. After initial recognition, Eurobond capital is measured at amortised cost using the effective interest rate method.

Eurobond interest is calculated and accrued on a semi-annual basis based on a fixed rate. The Eurobond interest is capitalised on a semi-annual basis.

Eurobond capital and Eurobond interest are derecognised when the obligation under the liability is discharged or cancelled or expires.

2.10 Interest income and other investment income

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents and on debt securities at amortised cost.

Other investment income is recognised when the right to receive payment is established.

2.11 Expenses

Expenses are recognised on an accruals basis.

2.12 Taxation

Due to the taxation arrangement in place with HMRC, only eligible taxable income earned less allowable deductions as per the arrangement will be subject to UK corporation tax at 20% (2016: 20%).

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Directors have determined there were no deferred tax assets or liabilities at 31 December 2017 (31 December 2016: none).

3. INTEREST INCOME

	2017 GBP	2016 GBP
Bank interest income	111	403
Loan note interest income	16,805,612	8,629,972
	16,805,723	8,630,375

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

4. OTHER INVESTMENT INCOME

	2017 GBP	2016 GBP
Equity support fee income:	922,756	2,127,327

5. AUDITOR'S REMUNERATION

Fees charged by the Company's Independent Auditor for the audit of the Company's annual financial statements for the year ended 31 December 2017 amounted to GBP6,700 (2016: GBP6,695). No non-audit services were provided by the Company.

6. TAX

	2017 GBP	2016 GBP
Current tax expense		
Current year	(4,543)	18,000
Reconciliation of tax charge		
Average debt securities balance for the year	167,741,300	93,324,584
Margin payment at 12.5 basis points	209,677	116,656
Tax at 20% (2016: 20%) on margin payment	41,935	23,331
Adjustments to tax	(46,478)	(5,331)
Total tax charged in Statement of Comprehensive Income	(4,543)	18,000

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Directors have determined there were no deferred tax assets or liabilities at 31 December 2017 (31 December 2016: none).

7. LOANS AND RECEIVABLES

	2017 GBP	2016 GBP
Debt Securities	197,027,847	126,587,488
Movements in debt securities		
As at 1 January	126,587,488	69,404,935
Acquisitions	63,025,876	52,349,307
Capitalised interest	10,002,794	4,908,457
Repayments	(2,588,311)	(75,211)
As at 31 December	197,027,847	126,587,488

As at 31 December 2017 and 2016, the carrying amounts of the loans and receivables approximate their fair value.

After year end the debt securities in Royal Liverpool Hospital were written down to zero. Please see Note 20 for details of this.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

8. RECEIVABLES AND PREPAYMENTS

	2017 GBP	2016 GBP
Interest receivable	4,997,647	1,765,373
Prepayments	863	9,254
Receivables from related parties (Note 16)	659,769	2,112,981
Receivables from the project companies (Note 16)	-	22,541
Receivables from the General Partner	-	62,000
	<u>5,658,279</u>	<u>3,972,149</u>

As at 31 December 2017 and 2016, the carrying amounts of receivables and prepayments approximate their fair value.

9. SHARE CAPITAL

	2017 GBP	2016 GBP
Authorised		
1 ordinary share of GBP1.00 each	<u>1</u>	<u>1</u>
Issued and fully paid		
1 ordinary share of GBP1.00 each	<u>1</u>	<u>1</u>

The holder of the ordinary share is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company.

10. SHARE PREMIUM

	2017 GBP	2016 GBP
Share premium	<u>45,067</u>	<u>45,067</u>

11. EUROBOND CAPITAL

The Company created and authorised the issue of fixed rate unsecured loan notes with project companies (the "Loan Notes") and fixed rate unsecured payment-in-kind notes (the "PIK Notes"). The Company intends that the PIK Notes may be issued from time to time to satisfy certain obligations to pay interest on the Loan Notes. The Loan Notes and PIK Notes were formally admitted to the Official List of The International Stock Exchange ("TISE").

The Loan Notes are redeemable in accordance with conditions set out in the loan instrument agreements. Interest shall accrue on the principal amount outstanding on the Loan Notes at a fixed rate per annum. The interest is due to be paid to the Noteholder on 31 March and 30 September of each year. If the Company does not have sufficiently available cash to make any interest payments, these amounts will be deferred and capitalised.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

11. EUROBOND CAPITAL (CONTINUED)

The table below sets out the terms of the Loan Notes issued by the Company up to 31 December 2017:

Maturity date	Issue date	TISE admission date	Interest rate per annum	Loan Notes issue created and authorised	PIK Notes issue created and authorised
31/03/33	12/08/13	14/08/13	11.625%	GBP100,000,000	Unlimited
30/09/60	11/11/15	12/11/15	10.075%	Unlimited	Unlimited
31/03/36	16/12/15	18/12/15	11.625%	Unlimited	Unlimited
31/03/37	30/09/16	29/01/16	10.875%	Unlimited	Unlimited
31/03/41	30/09/16	29/01/16	13.125%	Unlimited	Unlimited
16/03/47	29/11/16	22/12/15	12.295%	Unlimited	Unlimited
30/09/37	28/10/16	29/01/16	8.625%	Unlimited	Unlimited
31/03/45	24/03/17	29/01/16	9.875%	Unlimited	Unlimited
30/09/42	31/05/17	22/12/15	10.875%	Unlimited	Unlimited
31/03/43	13/11/17	22/12/15	8.325%	Unlimited	Unlimited

The movement in Loan Notes issued by the Company up to 31 December 2017 is set out in the table below:

	31/12/2017 Balance GBP	2017 Issued GBP	2017 Capitalised Interest GBP	2017 Repaid GBP	31/12/2016 Balance GBP
Fixed rate unsecured redeemable loan notes 31/03/33	8,989,760	-	259,125	(574,221)	9,304,856
Fixed rate unsecured loan notes 30/09/60	36,536,230	-	356,933	(1,653,197)	37,832,494
Fixed rate unsecured redeemable loan notes 31/03/36	29,295,715	-	2,693,243	-	26,602,472
Fixed rate unsecured loan notes 31/03/37	12,466,312	75,211	1,551,817	-	10,839,284
Fixed rate unsecured loan notes 31/03/41	24,885,855	-	3,672,522	-	21,213,333
Fixed rate unsecured loan notes 16/03/47	13,005,214	7,754,738	1,330,451	(22,129)	3,942,154
Fixed rate unsecured loan notes 30/09/37	17,996,099	-	1,520,521	(97,567)	16,573,145
Fixed rate unsecured loan notes 31/03/45	15,183,917	15,183,917	-	-	-
Fixed rate unsecured loan notes 30/09/42	12,098,961	12,098,961	-	-	-
Fixed rate unsecured loan notes 31/03/43	27,913,049	27,913,049	-	-	-
	<u>198,371,112</u>	<u>63,025,876</u>	<u>11,384,612</u>	<u>(2,347,114)</u>	<u>126,307,738</u>

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

11. EUROBOND CAPITAL (CONTINUED)

	31/12/2016 Balance GBP	2016 Issued GBP	2016 Capitalised Interest GBP	2016 Repaid GBP	31/12/2015 Balance GBP
Fixed rate unsecured redeemable loan notes 31/03/33	9,304,856	-	1,233,203	-	8,071,653
Fixed rate unsecured loan notes 30/09/60	37,832,494	-	1,144,989	-	36,687,505
Fixed rate unsecured redeemable loan notes 31/03/36	26,602,472	-	3,039,045	-	23,563,427
Fixed rate unsecured loan notes 31/03/37	10,839,284	10,914,495	-	(75,211)	-
Fixed rate unsecured loan notes 31/03/41	21,213,333	21,213,333	-	-	-
Fixed rate unsecured loan notes 16/03/47	3,942,154	3,920,025	22,129	-	-
Fixed rate unsecured loan notes 30/09/37	16,573,145	16,301,454	271,691	-	-
	<u>126,307,738</u>	<u>52,349,307</u>	<u>5,711,057</u>	<u>(75,211)</u>	<u>68,322,585</u>

12. PAYABLES AND ACCRUALS

	2017 GBP	2016 GBP
Administration fees	260	2,175
Audit fees	6,600	6,500
Credit facility commitment fee	-	22,641
Credit facility	-	102,973
Payable to Aberdeen UK Infrastructure Partners LP	-	1,820,536
Professional fees	2,280	2,280
Tax payable	18,000	22,543
	<u>27,140</u>	<u>1,979,648</u>

As at 31 December 2017 and 2016, the carrying amounts of payables and accruals approximate their fair value.

13. FINANCIAL RISK MANAGEMENT

13.1 Financial risk factors

The objective of the Company's financial risk management is to manage and control the risk exposures of its investment portfolio. The Directors have overall responsibility for overseeing the management of financial risks. The review and management of financial risks are performed by the Directors, who have documented procedures designed to identify, monitor and manage the financial risks to which the Company is exposed. This note presents information about the Company's exposure to financial risks, its objectives, policies and processes for managing risk and the Company's management of its financial resources.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

13.1 Financial risk factors (continued)

The Company owns a portfolio of investments in subordinated loan notes of PPI/PPP companies. These companies are structured at the outset to minimise financial risks of acquiring and holding the investment. The Company primarily focuses its risk management on the direct financial risks of acquiring and holding the portfolios, but continues to monitor the indirect financial risks of the underlying projects through representation, where appropriate, on the Boards of the project companies and the receipt of regular financial and operational performance reports.

13.1.1 Market risk

Market risk is defined as the potential loss in value or earnings of the Company arising from changes in external market factors such as:

- interest rates (interest rate risk);
- foreign exchange rates (currency risk); and
- equity markets (other price risk).

The investments are susceptible to market price risk arising from uncertainties about future values of the instruments. The Company has an Investment Manager who provides the Board of Directors with investment recommendations. The Investment Manager's recommendations are reviewed by the Board of Directors before the investment decisions are implemented.

The performance of the investments held by the Company are monitored by the Investment Manager and reviewed by the Board of Directors both on a quarterly basis.

(a) Price risk

Returns from the Company's investments are affected by the prices at which they are acquired. The value of the investment will be a function of the discounted value of its expected future cash flows, and as such will vary with, inter alia, movements in interest rates, market prices and the competition for such assets.

(b) Currency risk

The project companies in which the Company invests conduct their business and pay interest, dividends and principal in GBP. The Company is not exposed to any currency risk.

(c) Interest rate risk

The Company invests in subordinated loan notes of a project company, usually with a fixed interest rate coupon. Where floating rate debt is owned, the primary risk is that the Company's cash flows will be subject to variation depending upon changes to base interest rates. The portfolio's cash flows are continually monitored and re-forecasted both over the near future and the long-term (over the whole period of projects' concessions) to analyse the cash flow returns from investments.

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows. The Company holds debt securities that expose the Company to fair value interest rate risk. The Company's policy requires the Investment Manager to manage this risk by reviewing fluctuations of the interest rate sensitivity gap of financial assets and liabilities on a quarterly basis and the Directors to review on a quarterly basis.

If interest rates on debt securities had been higher or lower on average by 75 basis points over the year, with all other variables held constant, the increase or decrease in net assets attributable to members would have been GBP1,258,060 (2016: GBP699,934). The Company considers that 75 basis points is the maximum exposure to a decrease or increase in interest rates that could occur in the foreseeable future, although unlikely.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

13.1 Financial risk factors (continued)

13.1.1 Market risk (continued)

(c) Interest rate risk (continued)

The Company has an indirect exposure to changes in interest rates through its investment in project companies, which is in part financed by senior debt. Senior debt financing of project companies is generally either through floating rate debt or fixed interest rate bonds. Where senior debt is financed through floating rate debt, the project typically has concession length hedging arrangements in place, which are monitored by the project company's manager, finance parties and boards of directors.

The Company's Eurobond loan notes bear interests at fixed rates and therefore not considered exposed to market interest rate fluctuations.

(d) Inflation risk

The Company's project companies are generally structured so that contractual income and costs are either wholly or partially linked to specific inflation where possible to minimise the risks of a mismatch between income and costs due to movements in inflation indexes. The Company's overall cash flows are estimated to partially vary with inflation. The effect of these inflation changes do not always immediately flow through to the Company's cash flows as there is a time lag due to financial models only being updated on a 6 monthly basis.

13.1.2 Credit risk

Credit risk is the risk that a counterparty of the Company will be unable or unwilling to meet a commitment that it has entered into with the Company. The Company's direct counterparties are the project companies in which it makes investments. The Company's near term cash flow forecasts are used to monitor the timing of cash receipts from project counterparties. Underlying the cash flow forecasts are project companies' cash flow models, which are regularly updated by project companies for the purposes of demonstrating the projects' ability to pay interest and dividends based on a set of detailed assumptions. Many of the Company's investments and their subsidiary entities generally receive revenue from government departments, public sector or local authority clients. Therefore a significant portion of the Company's revenue arises from counterparties of good financial standing.

The Company is also reliant on the projects' subcontractors continuing to perform their construction contract and service delivery obligations such that revenues to projects are not disrupted. The Company has a subcontractor counterparty monitoring procedure in place. The credit standing of subcontractors is reviewed and the risk default estimated for each significant counterparty position. Monitoring is ongoing and period end positions are reported to the Directors on a quarterly basis. One of the subcontractors 'Carillion Plc' filed for compulsory liquidation on 15 January 2018. Please see Note 20 for the effects of this on the Company.

No classes within trade and other receivables contain impaired assets as at the reporting date. The maximum exposure to credit risk over financial assets is the carrying value of those assets in the Statement of Financial Position and as set out below:

	2017 GBP	2016 GBP
Debt Securities	197,027,847	126,587,488
Receivables	5,657,416	3,962,895
Cash and cash equivalents	155,866	3,140,351
Total	202,841,129	133,690,734

The cash investments of the Company are limited to financial institutions of a suitable credit quality.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

13.1 Financial risk factors (continued)

13.1.2 Credit risk (continued)

As at 31 December 2017, the Company did not record any overdue and impaired balances (2016: GBPnil). However post year end the investment into Royal Liverpool Hospital was impaired. Please see Note 20 for details of this. The table below sets out the internal credit rating of debt securities:

	2017	2016
	%	%
Internal rating – better than satisfactory risk	-	-
Internal rating – satisfactory risk	100	100
Internal rating – viable but monitoring	-	-
Internal rating – high risk	-	-

The main concentration of credit risk to which the Company is exposed arises from the Company's investments in debt securities. However, the risk of default is considered to be small, and the capital repayments will be made in accordance with the agreed term and conditions.

Cash transactions are limited to Lloyds Bank which is a subsidiary of a financial institution with a Long term debt credit rating of A (2016: A), as rated by the rating agency, Standard & Poor's. At 31 December 2017, all cash and cash equivalents are placed with the Banker.

In accordance with the Company's policy, the Company's credit risk exposure is monitored by the Investment Manager and reviewed by the Board of Directors both on a quarterly basis.

13.1.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient financial resources and liquidity to meet its liabilities when due. The Company's activity is predominantly funded by long-term funding (i.e. Issuance of Eurobond loan notes) and the Company's liquidity risk is managed in conjunction with the established framework.

The Company's investments are generally in private companies in which there is no active market and, therefore, such investments would take time to be realised and there is no assurance that the valuations placed on the investments would be achieved from any such sale process.

The Company's investment companies have borrowings which rank senior to the Company's own investments in these project companies. The senior debt is structured such that, under normal operating conditions, it will be repaid within the expected life of the projects. Debt raised by the investment companies from third parties is without recourse to the Company.

The Company operates as an investment structure whereby the Company invests and commits to invest into various portfolio companies. As at 31 December 2017, the total outstanding commitments to portfolio companies amounts to GBPnil (2016: GBP63,025,876).

The Company is subject to liquidity risk on the Eurobond capital issued and Eurobond interest accrued. However, this risk is mitigated in accordance with the debt instrument which states Eurobond capital and interest will only be paid to the holders once the equivalent amounts have been received from the underlying investment portfolio.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

13.1 Financial risk factors (continued)

13.1.3 Liquidity risk (continued)

The table below analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Within one year GBP	One to five years GBP	Over five years GBP
31 December 2017			
Financial assets			
Loans and receivables	-	-	197,027,847
Receivables	5,657,416	-	-
Cash and cash equivalents	155,866	-	-
Total financial assets	5,813,282	-	197,027,847

	Within one year GBP	One to five years GBP	Over five years GBP
31 December 2016			
Financial assets			
Loans and receivables	-	-	126,587,488
Receivables	3,962,895	-	-
Cash and cash equivalents	3,140,351	-	-
Total financial assets	7,103,246	-	126,587,488

	Within one year GBP	One to five years GBP	Over five years GBP
31 December 2017			
Financial liabilities			
Eurobond capital	-	-	198,371,112
Eurobond interest payable	4,143,058	-	-
Payables and accruals	27,140	-	-
Total financial liabilities	4,170,198	-	198,371,112

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

13. FINANCIAL RISK MANAGEMENT (CONTINUED)

13.1 Financial risk factors (continued)

13.1.3 Liquidity risk (continued)

31 December 2016	Within one year GBP	One to five years GBP	Over five years GBP
Financial liabilities			
Eurobond capital	-	-	126,307,738
Eurobond interest payable	4,485,996	-	-
Payables and accruals	1,979,648	-	-
Loans and borrowings	900,000	-	-
Total financial liabilities	7,365,644	-	126,307,738

13.2 Capital risk management

The capital of the Company is represented by the shareholder's equity. The amount of shareholder's equity may change as the Company may adjust the amount of dividends paid to its shareholder, return capital to its shareholder, issue new shares or sell assets to reduce capital. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for its shareholder and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Company.

14. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are outlined below.

Debt Securities

Debt securities are not quoted in an active market and are accounted for at amortised cost. The Board of the Directors assess the recoverability of these debt securities through the use of cash flow models of the underlying entities. The key judgement in the models include:

-Discount rates - the determination of the appropriate discount rate for each project that is reflective of current market and industry conditions (i.e interest rates, inflation rates, the effects of the political developments and trends on these assumption) and the specific risks as applicable to each project;

-Forecast future cash flows - enhancements made to underlying project cash flows to enhance or change the timings of cash flows from the PFI/PPP infrastructure projects.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

15. FINANCIAL INSTRUMENTS BY CATEGORY

	Loans and receivables GBP	Designated at fair value through profit or loss GBP	Total GBP
As at 31 December 2017			
Assets			
Debt Securities	197,027,847	-	197,027,847
Receivables	5,657,416	-	5,657,416
Cash and cash equivalents	155,866	-	155,866
	<u>202,841,129</u>	<u>-</u>	<u>202,841,129</u>

	Loans and receivables GBP	Designated at fair value through profit or loss GBP	Total GBP
As at 31 December 2016			
Assets			
Debt Securities	126,587,488	-	126,587,488
Receivables	3,962,895	-	3,962,895
Cash and cash equivalents	3,140,351	-	3,140,351
	<u>133,690,734</u>	<u>-</u>	<u>133,690,734</u>

	Other financial liabilities at amortised GBP	Designated at fair value through profit or loss GBP	Total GBP
As at 31 December 2017			
Liabilities			
Eurobond capital	198,371,112	-	198,371,112
Eurobond interest payable	4,143,058	-	4,143,058
Payables and accruals	27,140	-	27,140
	<u>202,541,310</u>	<u>-</u>	<u>202,541,310</u>

As at 31 December 2016			
Liabilities			
Eurobond capital	126,307,738	-	126,307,738
Eurobond interest payable	4,485,996	-	4,485,996
Payables and accruals	1,979,648	-	1,979,648
Loans and borrowings	900,000	-	900,000
	<u>133,673,382</u>	<u>-</u>	<u>133,673,382</u>

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

16. RELATED PARTIES TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

PIP MSI LP holds 100% of the Company's share capital in issue. During the year ended 31 December 2017, the Company incurred management fees of GBP585,171 (2016: GBP878,422), and GBPnil (2016: GBP1,820,536) remained outstanding as at 31 December 2017.

PIP MSI LP also holds 100% of the Eurobond capital issued by the Company, amounting to GBP178,681,508 (2016: GBP118,002,746). During the year, the Company incurred Eurobond interest expenses of GBP16,352,132 (31 December 2016: GBP8,447,159), with GBP11,384,612 capitalised interest as at 31 December 2017 (2016: GBP5,711,057) and GBP4,143,058 was outstanding as at 31 December 2017 (2016: GBP4,485,996) (see Note 11). PIP MSI LP paid for the acquisition of debt securities amounting to GBP63,025,876 (2016: GBP52,349,307) and in consideration the Company issued the Eurobond capital.

As at 31 December 2017, the Company has receivables from PIP II (No 5) and the Fund amounting to GBP659,769 (2016: GBP2,112,981) for the investments made in a certain waste project in North Yorkshire.

17. STAFF COSTS

The Company has no employees. The Directors of the Company waived their right to receive Directors' remuneration.

18. ULTIMATE CONTROLLING PARTY

The Company's immediate parent undertaking was the Fund until 6 December 2017, and the parent undertaking changed to PIP MSI LP after the date. The Directors of the Company consider there to be no ultimate controlling party.

19. LOAN COMMITMENTS, COMMITMENTS AND CONTINGENCIES

The Company entered into a Single Currency Letter of Credit and Revolving Facilities Agreement dated 11 September 2012 (the "Agreement"), together with the Fund, as an Original Borrower, with the Banker as Lender and with Aberdeen Fund Managers Limited. The Lender will make available to the Original Borrowers a sterling credit facility in an aggregate amount equal to GBPnil (2016: GBP212,120,000) for the purpose of funding their working capital expenses and other costs and also to apply towards the issuance by the Lender of Letters of Credit.

The credit facility was available from 11 September 2012 to 9 September 2014 and was extended for a period of 364 days to 8 September 2015 based on the Amendment Letter to the Agreement dated 9 September 2014 and another period of 364 days to 8 September 2016 based on the Amendment Letter to the Agreement dated 8 September 2015.

The credit facility was further extended for a period of 364 days to 8 September 2017 based on the Amended Letter to the Agreement dated 5 September 2016. The credit facility was fully paid during 2017.

The details of the loan facility is summarised below:

Loan reference	Facility termination date	Nominal interest rate	Carrying amount*
Lloyds Bank plc	8 September 2017	1.20001%	GBP900,000

* The fair value of all borrowings is deemed to reflect their carrying value.

PIP INFRASTRUCTURE INVESTMENTS (NO 6) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2017

19. LOAN COMMITMENTS, COMMITMENTS AND CONTINGENCIES (CONTINUED)

Under the Agreement, the Company and the Fund, as Borrowers, must pay a commitment fee on the total available facility amount and a Letter of Credit Commission (recognised as credit facility interest) equivalent to the average market interest rate per annum on the outstanding amount. The Letter of Credit Commission will reduce to a lower market interest rate per annum where there is cash cover provided to the Lender.

Interest is a variable rate agreed at each drawdown of the Loan facility. Interest is payable at an agreed date between the Lender and the Fund (an "Interest Period") with payment being due on the last day of each period. An Interest Period means, in relation to a Loan, each period determined in accordance with Clause 11 of the Agreement, in relation to a Letter of Credit, its Term and, in relation to an Unpaid Sum, each period determined in accordance with Clause 10.3 of the Agreement.

The table below shows the movements of the loans payable obtained by the Company:

	2017 GBP	2016 GBP
Opening balance	900,000	900,000
Repayments during the year	(900,000)	-
	<u>-</u>	<u>900,000</u>

During the year ended 31 December 2017, the Company has a commitment fee refund of GBP14,175 due to it (2016: GBP66,140) and credit facility interest of GBP467,798 (2016: GBP1,422,087) of which GBPnil (2016: GBPnil) and GBPnil (2016: GBPnil) remained outstanding respectively, as at 31 December 2017.

Based on the Amendment Letter to the Agreement, the Fund and the Company will pay to the Banker a renewal fee of GBPnil (2016: GBP50,000). During the year ended 31 December 2017, a renewal fee of GBPnil (2016: GBP50,000) which was paid by the Fund on behalf of the Company.

20. SUBSEQUENT EVENTS

Subsequent to the year end, Carillion plc ("Carillion") filed for compulsory liquidation on 15 January 2018. At the year end the Company had made investments which expose it to Carillion through two of its PPP/PFI projects. Due to Carillion being unable to fulfil its contractual obligations on these projects a reduction in the value of the Investment Portfolio, which was being held at amortised cost, of £15.6m has been made.

Management are not aware of any other matters or circumstances arising since 31 December 2017, not otherwise dealt with in the Financial Statements which significantly affects the financial position of the Company and the results of its operation.