

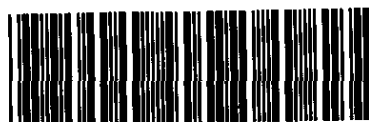


INFRACAPITAL RF GP LIMITED

REGISTRATION NUMBER: SC 557453

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 13 FEBRUARY 2017 TO 31 DECEMBER 2017**

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INFRACAPITAL RF GP LIMITED
GENERAL INFORMATION
31 December 2017

DIRECTORS

E H Clarke
M A Fernandes
J P McClelland
M J Lennon

REGISTERED NUMBER

SC 557453

REGISTERED OFFICE

50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ
United Kingdom

INDEPENDENT AUDITOR

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

LEGAL ADVISOR

Burness Paul LLP
50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ
United Kingdom

INFRACAPITAL RF GP LIMITED
CONTENTS

| | Page |
|--|-------------|
| Directors' Report | 3 |
| Independent Auditor's Report to the Member of Infracapital RF GP Limited | 5 |
| Statement of Comprehensive Income | 7 |
| Balance Sheet | 8 |
| Statement of Changes in Equity | 9 |
| Notes to the Financial Statements | 10 |

INFRACAPITAL RF GP LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2017

The directors present their annual report and the financial statements of Infracapital RF GP Limited (the "Company") for the period from 13 February 2017 to 31 December 2017 ("the period").

Principal Activity

The principal activity of the Company is to act as General Partner to Infracapital RF SLP LP.

Infracapital RF SLP LP (the "Partnership") is a limited Partnership formed by virtue of the Limited Partnership Agreement dated 28 February 2017 (the "LPA"), as amended from time to time.

Results and Dividends

The result for the period ended 31 December 2017, after taxation, amounted to £nil. The net assets of the Company as at the balance sheet date were £1.

No dividends were paid during the period. The directors do not recommend the payment of a final dividend.

Going Concern

The directors have a reasonable expectation that the Company has adequate resources to continue their operations for the foreseeable future. In support of this expectation the directors are unaware of any significant factors likely to affect the Company in the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements.

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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 UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have 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.

INFRACAPITAL RF GP LIMITED
DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2017

The Company has taken advantage of the exemption provided for under section 414(B) of Companies Act 2006 and has not prepared a strategic report.

Directors

The directors who served during the period and as at the date of approving this report were:

| | |
|----------------|---------------------------------|
| E H Clarke | (appointed on 13 February 2017) |
| M A Fernandes | (appointed on 13 February 2017) |
| J P McClelland | (appointed on 13 February 2017) |
| M J Lennon | (appointed on 13 February 2017) |

Qualifying Third Party Indemnity Provisions

Qualifying third-party indemnity provisions (as defined by section 234 of the Companies Act 2006) were accordingly in force during the course of the financial period ended 31 December 2017 for the benefit of the then directors and, at the date of this report, are in force for the benefit of the director in relation to certain losses and liabilities which may occur (or have occurred) in connection with their duties, power or office.

Disclosure of Information to Auditor

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

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

Post Balance Sheet Events

There have been no significant events affecting the Company since the year end which require adjustment for or disclosure in the financial statements.

Auditor

Pursuant to section 487(2) of the Companies Act 2006, the auditor will be deemed to be reappointed and therefore KPMG LLP will therefore continue in office

This report was approved by the board on 18 May 2018 and signed on its behalf.


M A Fernandes
Director

18 May 2018

INFRACAPITAL RF GP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF RF GP LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2017

OPINION

We have audited the financial statements of Infracapital RF GP Limited ("the company") for the period from 13 February 2017 to 31 December 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its result for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

GOING CONCERN

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

DIRECTORS' REPORT

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

INFRACAPITAL RF GP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF RF GP LIMITED FOR THE PERIOD ENDED 31 DECEMBER 2017 (CONTINUED)

DIRECTORS' RESPONSIBILITIES

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Fang Fang Zhou (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
Canary Wharf,
London, E14 5GL
United Kingdom

18 May 2018

INFRACAPITAL RF GP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017

| | Note | 13 February 2017 – 31 December 2017 £ |
|--|------|---|
| Turnover | 2 | 83 |
| Administrative expenses | 1.4 | (83) |
| Operating profit | | - |
| Tax charge on profit on ordinary activities | 5 | - |
| Profit for the period | | - |
| Total comprehensive income for the period | | - |

There was no other comprehensive income for the period ended 31 December 2017 other than that included in the Statement of Comprehensive Income, all of which is derived from continuing operations

The 2017 period was from 13 February 2017 to 31 December 2017.

(The notes on pages 10 to 13 form part of these financial statements.)

INFRACAPITAL RF GP LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2017

| | Note | 2017 £ |
|---|------|-----------|
| Non-current assets | | |
| Debtors: amounts falling due after more than one year | 6 | 1 |
| Total assets less current liabilities | | <u>1</u> |
| Net assets | | <u>1</u> |
| Capital and reserves | | |
| Called up share capital | 7 | 1 |
| Shareholder's funds | | <u>1</u> |

The financial statements on pages 7 to 13 were approved and authorised for issue by the board and were signed on its behalf on 18 May 2018.


M A Fernandes
Director


J P McClelland
Director

18 May 2018

(The notes on pages 10 to 13 form part of these financial statements.)

INFRACAPITAL RF GP LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2017

| | Share capital | Total equity |
|----------------------|---------------|--------------|
| | £ | £ |
| At 13 February 2017 | - | |
| Share capital issued | 1 | 1 |
| At 31 December 2017 | <u>1</u> | <u>1</u> |

(The notes on pages 10 to 13 form part of these financial statements.)

INFRACAPITAL RF GP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

Infracapital RF GP Limited ("the Company") is a company incorporated and domiciled in the United Kingdom. These financial statements are prepared for the period from incorporation on 13 February 2017 to 31 December 2017.

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

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

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. There are no significant judgements or estimates applied in preparing these accounts.

1.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

The following principal accounting policies have been applied:

1.3 Turnover

Turnover arises from a share of profits the Company receives in relation to its role as General Partner to Infracapital RF SLP LP. The General Partner's Share is £100 per annum in accordance with the Limited Partnership Agreement and is recognised in the statement of comprehensive income on an accruals basis.

1.4 Administrative expenses

Management fees are payable by the Company to M&G Investment Management Limited, the appointed manager of Infracapital RF SLP LP. They are accounted for on an accruals basis.

INFRACAPITAL RE GP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017

1. Accounting policies (continued)

1.5 Taxation

Tax is recognised in the statement of comprehensive income, except to the extent that it is attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity, in which case it is recognised in other comprehensive income or directly in equity, respectively.

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

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

1.6 Functional currency

The Company's functional and presentational currency is Pound Sterling (£).

1.7 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue their operations for the foreseeable future. In support of this expectation the directors are unaware of any significant factors likely to affect the Company in the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the annual report and financial statements.

2. Analysis of Turnover

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

| | 2017 £ |
|------------------------------------|-----------|
| General Partner's Share receivable | <u>83</u> |

3. Auditor's remuneration

Amounts receivable by the Company's auditor in respect of the audit of the Company's financial statements are £3,000 and are payable by Infracapital Partners LP. Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Prudential plc.

4. Employees

The Company has no employees other than directors, who did not receive any remuneration in respect of their services to the Company.

INFRACAPITAL RE GP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017

5. Taxation

a) Analysis of tax charge in the period:

| | 2017 |
|---------------------------------------|-------------|
| | £ |
| Current tax on profits for the period | - |
| Total current tax charge | - |

b) Factors affecting tax charge for the period:

The tax charge for the period can be reconciled to the profit per the income statement as follows:

| | 2017 |
|---|-------------|
| | £ |
| Profit for the period – continuing activities | - |
| Tax on profit at standard UK tax rate of 19.15% | - |
| Total tax charge for the period | - |

c) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce any future current tax charge for the company accordingly.

6. Debtors: amounts falling due after more than one year

| | 2017 |
|----------------------------------|-------------|
| | £ |
| Called up share capital not paid | 1 |

7. Share capital

Allotted, called up and not paid

| | 2017 |
|-----------------------------|-------------|
| | £ |
| 1 Ordinary Share of £1 each | 1 |

INFRACAPITAL RF GP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017

8. Related party transactions

The Company is entitled to receive General Partner's Share from Infracapital RF LP for the period ended 31 December 2017. The General Partner's Share was £83, of which £nil was outstanding at 31 December 2017.

Except for related party disclosure of General Partner's Share, the Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow group companies.

9. Directors emoluments

All directors were employed during the period by M&G Limited, the Company's immediate parent company. Analyses of staff costs, pension commitments and share-based payments are shown in the annual report and financial statements of that company.

No emoluments were paid to directors during the period in connection with the management of the affairs of the Company. One of the directors exercised Prudential plc share options in the period.

10. Immediate and ultimate controlling party

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

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

11. Post balance sheet events

There have been no significant events affecting the Company since the year end which require adjustments for or disclosure in the financial statements.

INFRACAPITAL RF SLP LP

REGISTRATION NUMBER: SL030388

**MANAGER'S REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 28 FEBRUARY 2017 TO 31 DECEMBER 2017**

INFRACAPITAL RF SLP LP

CONTACT INFORMATION

| | |
|----------------------------|---|
| MANAGER | M&G Investment Management Limited (authorised and regulated by the Financial Conduct Authority) |
| GENERAL PARTNER | Infracapital RF GP Limited |
| LEGAL ADVISOR | Burness Paull LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ United Kingdom |
| INDEPENDENT AUDITOR | KPMG LLP 15 Canada Square London E14 5GL United Kingdom |
| REGISTERED OFFICE | 50 Lothian Road Festival Square Edinburgh EH3 9WJ |
| REGISTERED NUMBER | SL030388 |

CONTENTS

| | Page |
|--|-------------|
| Manager's Report | 3 |
| Independent Auditor's Report to the Partners of Infracapital RF SLP LP | 5 |
| Statement of Comprehensive Income | 7 |
| Balance Sheet | 8 |
| Cash Flow Statement | 9 |
| Notes to the financial statements | 10 |

MANAGER'S REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2017

M&G Investment Management Limited (the "Manager") presents the annual report and financial statements of Infracapital RF SLP LP ("the Partnership") for the period from 28 February 2017 to 31 December 2017.

Principal activity

The Partnership was formed on 28 February 2017 pursuant to a Limited Partnership Agreement ("LPA") dated 28 February 2017 (as amended from time to time). The Partnership has been established to make investments in FA II and FA III Limited, which are both part of the Red Funnel group ("Red Funnel"). Infracapital RF GP Limited is the General Partner to the Partnership. M&G Investment Management Limited is the Manager of the Partnership.

Results and review of Partnership activities

The profit for the period was £176,501,000 and the Partnership's net assets at 31 December 2017 were £nil. Details of the results for the year are set out in the statement of comprehensive income on page 7. During the period, the Partnership acquired a 100% interest in Red Funnel from a related entity controlled by the Manager. The investment in Red Funnel was subsequently sold, in July 2017, generating a gain on disposal as per note 4.

Going concern

During the year, the Partnership disposed of its investments in FA II and FA III Limited, which were its only investments. The General Partner does not intend to use the Partnership for future investment activity and have therefore decided to prepare the financial statements on the basis that the Partnership is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

Statement of Manager's responsibilities in respect of the Manager's Report and the Financial Statements

Under the terms of the Limited Partnership Agreement dated 28 February 2017 (as amended from time to time), the Manager has accepted responsibility for the preparation of financial statements for the year ended 31 December 2017 in accordance with the special purpose basis of preparation and accounting policies set out in note 1 to the financial statements:

In preparing the financial statements, the Manager has:

- determined that the basis of preparation is acceptable in the circumstances;
- selected suitable accounting policies and then applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- assessed the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- used the going concern basis of accounting unless they either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

The manager is 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Partnership and to prevent and detect fraud and other irregularities.

The Manager confirms that, so far as it is aware, there is no relevant audit information of which the Partnership's auditor is unaware; and that the Manager has taken all the steps that it ought to have taken as a Manager to make itself aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

Auditor

The Auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.



On behalf of the Manager

G R Speirs

Director

M&G Investment Management Limited

9 August 2018

**INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF INFRACAPITAL RF SLP LP
FOR THE PERIOD ENDED 31 DECEMBER 2017**

Opinion

We have audited the financial statements of Infracapital RF SLP LP ("the partnership") for the period ended 31 December 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements have been properly prepared, in all material respects, in accordance with the special purpose basis of preparation and accounting policies set out in note 1 to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, and the terms of our engagement letter dated 14 March 2018. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the partnership in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter – special purpose basis of preparation

We draw attention to Note 1 to the financial statements, which describes their basis of preparation. As explained in that note, the financial statements are prepared to present historical financial information of the Partnership. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure made in Note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Other information

The manager is responsible for the other information, which comprises the manager's report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Manager's responsibilities

As explained more fully in their statement set out on page 3, the manager is responsible for: the preparation of the financial statements in accordance with the special purpose basis of preparation and accounting policies set out in note 1 to the financial statements and in accordance with the Partnership Agreement dated 28 February 2017; determining that the basis of preparation is acceptable in the circumstances; 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; assessing the partnership'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 they either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE PARTNERS OF INFRACAPITAL RF SLP LP
FOR THE PERIOD ENDED 31 DECEMBER 2017 (CONTINUED)**

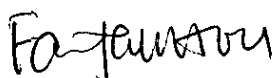
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the partners, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the partners those matters we have been engaged to state to them in this 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, as a body, for our audit work, for this report, or for the opinions we have formed.



Fang Fang Zhou

for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square

London

E14 5GL

15 August 2018

INFRACAPITAL RF SLP LP**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2017**

| | Note | 2017 £000 |
|--|------|-----------------------|
| Investment income | 2 | <u>1,929</u> |
| Operating profit for the period | | 1,929 |
| Gain on disposal of investment | 4 | <u>174,572</u> |
| Profit for the period | | <u>176,501</u> |
| Allocated to: | | |
| General Partner | | - |
| Limited Partners | 6 | <u>176,501</u> |
| | | <u>176,501</u> |

All results shown in the statement of comprehensive income derive from continuing activities.

There is no difference between the result as disclosed in the statement of comprehensive income and the result on an unmodified cost basis

(The notes on pages 10 to 13 form part of these financial statements.)

INFRACAPITAL RF SLP LP**BALANCE SHEET
AS AT 31 DECEMBER 2017**

| | Note | 2017 £000 |
|--|------|--------------|
| Fixed assets | | |
| Investments | 5 | - |
| Net assets | | - |
| Partner's accounts and reserves | | |
| Capital contribution account | 6 | - |
| Loan account | 6 | - |
| Income account | 6 | - |
| Total Partner's accounts and reserves | | - |

The only balance present on the balance sheet at 31 December 2017 is £1 of Partners Capital which is due from Infracapital Partners LP. This is not shown as the numbers are presented in 000's.

The financial statements on pages 7 to 13 have been approved by the Manager and signed on its behalf by:-



G R Speirs
Director
M&G Investment Management Limited



S H W Pilcher
Director
M&G Investment Management Limited

9 August 2018

(The notes on pages 10 to 13 form part of these financial statements.)

INFRACAPITAL RF SLP LP**CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2017**

| | Note | 2017 £000 |
|--|------|----------------|
| Net cash flow from operating activities | 7(a) | 1,929 |
| Investing activities | | |
| Purchase of investments | 5 | (57,466) |
| Loan repayments from investments | 5 | 232,038 |
| Net cash inflow before financing | | 176,501 |
| Financing | | |
| Limited Partner's loan drawdowns | 6(a) | 58,600 |
| Limited Partner's repayments | 6(a) | (235,101) |
| Movement in cash in the period | 7(b) | - |

(The notes on pages 10 to 13 form part of these financial statements.)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017****1. Accounting Policies**

Infracapital RF SLP LP ("the Partnership") was established on 28 February 2017, and is registered in Scotland. The General Partner of the Partnership is Infracapital RF GP Limited.

The financial statements are prepared under the historical cost convention and in accordance with the LPA dated 28 February 2017 (as amended from time to time). The Manager will use such principles consistently applied, subject to any changes as may be agreed from time to time with the auditor.

These financial statements present information about the Partnership as an individual undertaking and not about its group. The Partnership is included in the consolidated financial statements of Prudential plc, a Company registered in England and Wales. Prudential plc is the ultimate controlling party of the Partnership's General Partner. The address of Prudential plc is included in note 9.

The principal accounting policies that the Manager has adopted are set out below:

a) Investment income

Investment income represents interest receivable from investee entities. Investment income is recognised on an accruals basis.

b) Tax

The Partnership is not subject to UK income tax. Where relevant for UK tax purposes, each Partner is required to report on its tax return its share of the income and capital gains/(losses) of the Partnership.

c) General Partner's share

Under the LPA the General Partner is entitled to receive an annual General Partner's share of £100 in the profits of the Partnership.

d) Fixed asset investments

Fixed asset investments are held at cost less impairment. The investments are tested annually for impairment.

e) Functional and presentational currency

The Partnership's functional and presentational currency is considered to be Pound Sterling.

f) Going concern

During the year, the Partnership disposed of its investments in FA II and FA III Limited, which were its only investments. The General Partner does not intend to use the Partnership for future investment activity and have therefore decided to prepare the financial statements on the basis that the Partnership is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

2. Investment income

| | 2017 |
|---------------------|--------------|
| | £000 |
| Interest receivable | 1,929 |

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017**
3. Auditor's remuneration

Amounts receivable by the Partnership's auditor in respect of the Partnership's financial statements for the period are £3,000 and have been borne by Infracapital Partners LP, the Limited Partner of the Partnership. There were no non-audit services provided to the Partnership by the Partnership's auditor during the period.

4. Gain on disposal of investment

| | 2017 |
|--------------------------------|----------------|
| | £000 |
| Gain on disposal of Red Funnel | <u>174,572</u> |

5. Investments

| | Opening balance £000 | Additions £000 | Returned £000 | Realised gain £000 | Closing balance £000 |
|----------------------------|----------------------------|-------------------|------------------|--------------------------|----------------------------|
| FA III Limited – shares | - | - | (174,572) | 174,572 | - |
| FA II Limited – loan notes | - | 57,466 | (57,466) | - | - |
| | <u>-</u> | <u>57,466</u> | <u>(232,038)</u> | <u>174,572</u> | <u>-</u> |

During the period, the Partnership acquired a 100% interest in Red Funnel from a related entity controlled by the Manager. The investment in Red Funnel was subsequently sold, in July 2017, generating a gain on disposal as per note 4.

6. Partner's accounts
a) Movement

| | Opening balance £000 | Drawdowns £000 | Repayments £000 | Profit for the period £000 | Closing balance £000 |
|----------------------|----------------------------|-------------------|--------------------|----------------------------------|----------------------------|
| Capital contribution | - | - | - | - | - |
| Loan account | - | 58,600 | (58,600) | - | - |
| Income account | - | - | (176,501) | 176,501 | - |
| | <u>-</u> | <u>58,600</u> | <u>(235,101)</u> | <u>176,501</u> | <u>-</u> |

INFRACAPITAL RF SLP LP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017****6. Partner's accounts (continued)**

b) Closing balances

| | Capital contribution accounts £000 | Loan accounts £000 | Income accounts £000 | Total £000 |
|--------------------------|---|--------------------------|----------------------------|---------------|
| Infracapital Partners LP | - | - | - | - |

The Limited Partner made a capital contribution to the Partnership. Nil balances arise due to rounding.

7. Cash flow

a) Reconciliation of operating profit for the period to net cash flow from operating activities

| | |
|---|--------------|
| | 2017 |
| | £000 |
| Operating profit | 176,501 |
| Gain on disposal of Red Funnel | (174,572) |
| Net cash flow from operating activities | <u>1,929</u> |

b) Reconciliation of net cash flow to movement in net cash

| | |
|---------------------------------|-------------|
| | 2017 |
| | £000 |
| Increase in cash for the period | - |
| Net cash at beginning of period | - |
| Net cash at end of period | <u>-</u> |

c) Analysis of changes in net cash

| | Opening balance £000 | Cash flows £000 | Closing balance £000 |
|--------------|-------------------------|--------------------|-------------------------|
| Cash at bank | - | - | - |

8. Related party transactions

The Limited Partnership Agreement provides that the General Partner of the Partnership shall be entitled to a General Partner's share (as described in note 1(c)).

During the period Infracapital RF GP Limited was entitled to a General Partner's share for the period of £83, of which none was outstanding on 31 December 2017.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017**

9. Immediate and ultimate controlling party

The immediate controlling party is the General Partner by virtue of the LPA, Infracapital RF GP Limited, a wholly owned subsidiary of M&G Limited.

The ultimate parent company of Infracapital RF GP Limited is Prudential Plc, a company registered in England and Wales. Consolidated financial statements are prepared by Prudential Plc and copies of these are available from the Registered Office at Laurence Pountney Hill, London, EC4R 0HH.

10. Post balance sheet events

There have been no significant events affecting the Partnership since the period end which requires adjustment for or disclosure in the financial statements.