

Half-yearly Report and Financial Statements 2019

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GCP Infrastructure Investments Ltd
23 May 2019

GCP Infrastructure Investments Limited
("GCP Infra" or the "Company")
LEI 213800W64MNATSIV5Z47

Half-yearly report and financial statements for the period ended 31 March 2019

The Directors of the Company are pleased to announce the Company's half-yearly results for the period ended 31 March 2019. The half-yearly report and financial statements can be accessed via the Company's website at www.gcpinfra.com and will be posted to shareholders over the course of the next few weeks.

GCP Infrastructure Investments Limited

About Us

GCP Infrastructure Investments Limited (the "Company") is the only UK listed fund focused primarily on investments in UK infrastructure debt.

The Company seeks to provide shareholders with regular, sustainable, long-term dividend income and to preserve the capital value of its investments over the long term by generating exposure to infrastructure debt and/or similar assets. The Company is currently invested in a diversified, partially inflation protected portfolio of investments, primarily in the renewable energy, social housing and PFI sectors.

The Company is a closed-ended investment company incorporated in Jersey. It was admitted to the Official List and to trading on the London Stock Exchange's Main Market in July 2010. Since then it has grown to a market capitalisation of c.£1.1 billion at 31 March 2019.

AT A GLANCE

	HY17	HY18	HY19
Market capitalisation £m	945.1	1,029.6	1,107.0¹
Total net assets £m	809.3	982.3	987.1
Dividends for the period p	3.80	3.80	3.80
Share price p	128.80	117.80	126.20¹
NAV per share p	110.30	112.39	112.54
Profit for the period £m	22.1	39.5	33.6

HIGHLIGHTS FOR THE PERIOD

- Dividends of 3.8 pence per share paid or declared for the six month period to 31 March 2019 (31 March 2018: 3.8 pence per share)
- Shareholder total return for the period of 4.5% (31 March 2018: -3.8%). Total return since IPO in 2010 of 116.7%
- Profit for the period of £33.6 million (31 March 2018: £39.5 million). For information on financial performance for the period, refer to the financial review below
- Loans advanced totalling £39.1 million, secured against UK renewable energy, social housing and PFI projects
- Company NAV per ordinary share at 31 March 2019 of 112.54 pence per share (31 March 2018: 112.39 pence per share)
- Third-party independent valuation of the Company's partially inflation protected investment portfolio at 31 March 2019 of £1.1 billion (31 March 2018: £1.0 billion)
- Post period end, the Company made an investment of c.£64 million secured against a 54MW onshore wind farm in Northern Ireland

1. Market capitalisation and share price at 29 March 2019, being the last trading day of the period.

INVESTMENT OBJECTIVES AND KPIs

The Company primarily invests in UK infrastructure debt and/or similar assets to meet the following key objectives:

Dividend income

To provide shareholders with regular, sustainable long-term dividends

Diversification

To invest in a diversified portfolio of debt and/or similar assets secured against UK infrastructure projects

Capital preservation

To preserve the capital value of its investments over the long term

Key performance indicators

The Company has paid a dividend of 7.6 pence for the sixth consecutive year.	The Company had 47 investments at 31 March 2019. The investment portfolio is exposed to a wide variety of assets in terms of project type and source of underlying cash flow.	The valuation of the Company's investments exceeds the principal value outstanding. The Company's ordinary shares have traded at a premium to NAV since IPO in 2010.
3.8p Dividends per share for the six month period to 31 March 2019	47 Number of investments at 31 March 2019	112.54p NAV per share at 31 March 2019
£33.6m Profit for the six month period ended 31 March 2019	11.0%¹ Size of largest investment	126.20p Share price at 29 March 2019

Further information on Company performance can be found below.

1. The size of the largest investment (the Cardale PFI loan) is calculated by reference to the percentage of total assets. The Cardale PFI loan is secured on a cross-collateralised basis against 14 separate operational PFI projects, with no exposure to any individual project being in excess of 10% of the total portfolio.

PORTFOLIO AT A GLANCE

The Company's portfolio comprises underlying assets located across the UK and which fall under the following classifications:

Sector	Number of Assets	% of Portfolio
Asset finance	6	1
Anaerobic digestion	19	6
Solar	40,004	23
Energy efficiency	3	2
PFI	177	22
Hydro-electric	3	1

Supported living	951	15
Biomass	760	10
Wind	28	20

SENIOR SECURED RANKING

45%

ANNUALISED YIELD

8.1%

AVERAGE LIFE

15 years

PARTIALLY INFLATION PROTECTED

45%

CHAIRMAN'S INTERIM STATEMENT

I am pleased to present the interim report of the Company for the period ended 31 March 2019.

Overview

The Company paid dividends of 3.8 pence per share and delivered a shareholder total return of 4.5%, whilst maintaining a stable NAV. Reduced public sector support and regulatory challenges for existing investment sectors is limiting the pool of primary investment opportunities available to the Company. However, the secondary investment markets in existing asset classes remain active. By explicitly targeting a diversified portfolio of underlying assets, the Company remains well positioned to benefit from any new public sector infrastructure support.

Financial performance

The Company generated a profit of £33.6 million from total income of £41.2 million in the period. Earnings per share of 3.8 pence per share supported dividend payments at the same level. The net asset value of the Company remained stable, increasing by c.£1.6 million to £987.1 million (112.54 pence per share). At the end of the period, the share price was 126.20 pence, representing a c.12% premium to NAV. The financial review below details the Company's performance for the period.

Investment activity

The Company made investments of £39.1 million in the reporting period predominantly in the form of scheduled drawdowns from existing investee companies. The Company received c.£57 million of early prepayments from three senior loans in the anaerobic digestion sector and c.£14 million from one loan in the commercial solar sector, attracting prepayment fees that have generated a £3.1 million uplift against the previous carrying value of these assets.

The investment portfolio has performed well, with no additional material operational or performance issues in the period. The Company continues to work with a certain number of investee companies to resolve historic contractual and performance issues; as well as working more widely across the portfolio to seek ways to improve the debt characteristics of senior and subordinated positions and the return on shareholder interests.

Post period end, the Company made an additional commitment of c.£64 million secured against subordinated loans and shareholder interest in a 54MW operational onshore wind farm in Northern Ireland. This investment is forecast to generate a yield of c.7.5% over the remaining life of the project.

Financing

The Company's financing arrangements remained stable in the period with no new equity capital raised. The Board remains grateful for the ongoing support of its shareholders. The revolving credit facility, which was fully utilised at the start of the period, was partially repaid using the proceeds of loan prepayments. £90 million was outstanding at the end of the period. An additional £55 million was drawn post period end to finance the onshore wind investment described above.

Market outlook

Government and regulatory involvement continue to be a strong theme in the infrastructure sector.

A consultation published by the Government seeking views on the future of infrastructure finance in the UK was published in March. Included within this, the consultation aimed to identify alternative mechanisms to PFI/PF2 that could be adopted by the Government to ensure private sector capital supports much needed investment across a number of infrastructure asset classes. The Company is currently working on a small number of secondary investment opportunities in the PFI sector and continues to monitor any new mechanisms that represent attractive financing opportunities.

The Investment Adviser continues to see a strong pipeline of potential transactions in the secondary renewables sector and a limited pipeline of primary opportunities. During the period, the regulator of gas and electricity markets, Ofgem, has increased its activity in auditing the historic and ongoing compliance with renewables accreditations. The Investment Adviser is actively working with Ofgem in respect of two such processes to which investee companies are subject.

The Regulator for Social Housing ("RSH") published a note in April detailing its assessment of long-lease models of finance in the supported living sector. The Company is exposed to loans totalling 15% of total assets secured against this model of financing. The RSH has noted a number of concerns relating to the financial viability and governance of a certain number of Registered Providers ("RPs") operating in this sector. This principally relates to the sensitivity of such RPs to changes to housing benefit linked to the low operating margins and small balance sheets of such entities. The Company does not consider this to be a new risk and has adopted the view that the continuation of housing benefit in the supported living sector represents an attractive investment model. Whilst the Company's position remains unchanged in this respect, we are actively working with investee companies and the associated RPs to seek to address the regulators concerns. Until such concerns are resolved, the Company does not intend to make material new investments in this sector.

The Board continues to review the potential impact of Brexit on the Company. As a UK focused investment company, the impact is expected to be greatest in the event of a hard, no-deal scenario which may affect the cost and/or availability of European supply chains for infrastructure projects that rely on their ongoing operations and maintenance; and the operations of the single electricity market in Northern Ireland and the Republic of Ireland. The Board believes any negotiated arrangement is likely to have a limited impact on the Company.

Risks

The principal risks of the Company include (but are not limited to) execution risk, portfolio risk, financial risk and other risks. The Directors consider that the risks have remained substantially unchanged since the publication of the Company's 2018 annual report. Full details can be found on pages 38 to 44 of the Company's 2018 annual report and financial statements.

Mr Ian Reeves CBE

Chairman
22 May 2019

INVESTMENT ADVISER'S REPORT

The Company seeks to provide shareholders with long-term dividends and preserve the capital value of its investments through exposure to a diversified portfolio of UK infrastructure projects.

47

Number of investments at 31 March 2019

8.1%

Annualised yield

Investment objective and policy

Investment objective

The Company's investment objective is to provide shareholders with regular, sustained, long-term dividends and to preserve the capital value of its investment assets over the long term.

Investment policy and strategy

The Company seeks to generate exposure to the debt of UK infrastructure Project Companies, their owners or their lenders and related and/or similar assets which provide regular and predictable long-term cash flows.

Core projects

The Company will invest at least 75% of its total assets, directly or indirectly, in investments with exposure to infrastructure projects with the following characteristics (core projects):

- pre-determined, long-term, public sector backed revenues;
- no construction or property risks; and
- benefit from contracts where revenues are availability based.

In respect of such core projects, the Company focuses predominantly on taking debt exposure (on a senior or subordinated basis) and may also obtain limited exposure to shareholder interests.

Non-core projects

The Company may also invest up to an absolute maximum of 25% of its total assets (at the time the relevant investment is made) in non-core projects, taking exposure to projects that have not yet completed construction, projects in the regulated utilities sector and projects with revenues that are entirely demand based or private sector backed (to the extent that the Investment Adviser considers that there is a reasonable level of certainty in relation to the likely level of demand and/or the stability of the resulting revenue).

There is no, and it is not anticipated that there will be any, outright property exposure to the Company (except potentially as additional security).

Diversification

The Company will seek to maintain a diversified portfolio of investments and manage its assets in a manner which is consistent with the objective of spreading risk. No more than 10% in value of its total assets (at the time the relevant investment is made) will consist of securities or loans relating to any one individual infrastructure asset (having regard to risks relating to any cross-default or cross-collateralisation provisions). This objective is subject to the Company having a sufficient level of investment capital from time to time, the ability of the Company to invest its cash in suitable investments and the investment restrictions in respect of 'outside scope' projects described above.

It is the intention of the Directors that the assets of the Company are (as far as is reasonable in the context of a UK infrastructure portfolio) appropriately diversified by asset type (e.g. PFI healthcare, PFI education, solar power, social housing, biomass etc.) and by revenue source (e.g. NHS Trusts, local authorities, FIT, ROCs etc.).

Non-financial objectives of the Company

The key non-financial objectives of the Company are:

- to maintain strong relationships with all key stakeholders of the Company, including shareholders and borrowers; and
- to develop and increase the understanding of the investment strategy of the Company and infrastructure as an investment class.

Key policies

Distribution

The Company seeks to provide its shareholders with regular, sustained, long-term dividend income. The Company has previously offered a scrip dividend alternative and anticipates that it will continue to do so.

Leverage and gearing

The Company intends to make prudent use of leverage to finance the acquisition of investments and enhance returns to investors. Structural gearing of investments is permitted up to a maximum of 20% of the Company's NAV immediately following drawdown of the relevant debt.

INFRASTRUCTURE SECTOR OVERVIEW AND UPDATE

UK infrastructure sector overview

During the reporting period, the UK Government published an Infrastructure Finance Review, consulting on the state of the UK infrastructure market and the financing models and governance structures for new infrastructure development. The review sets out the Government's intention to publish a National Infrastructure Strategy later in 2019, which will respond to the National Infrastructure Commission's National Infrastructure Assessment, published in July 2018. The Investment Adviser and the Board will closely monitor any outcomes from the review and believe that the Company remains well placed to benefit from future financing models put in place by the Government to facilitate private sector infrastructure investment.

Irrespective of the exact nature of the Government's strategy it is clear that there will be a significant ongoing role for private sector capital in supporting the financing of the UK's significant infrastructure development requirement. The Infrastructure and Project Authority ("IPA") has identified a £600 billion infrastructure investment pipeline over the next ten years, half of which is forecast to come from the private sector. The Investment Adviser has reviewed the IPA's pipeline and is aware that a number of projects that have already been financed are in sectors that would not be applicable to the investment policy of the Company, or are in sectors where there are, in the Investment Adviser's view, insufficient government support mechanisms to incentivise private sector capital at the current time. Whilst the IPA's analysis is a useful indication of future opportunities, the Investment Adviser's assessment of the addressable market for the Company is more limited. The Investment Adviser therefore considers additional public sector support will be required to ultimately realise the IPA's pipeline.

At the time of writing, the potential of a no-deal Brexit remains a possibility. As a UK focused investment company, the impacts of Brexit on the Company are linked to the macro impact on the UK more widely, such as interest rates, foreign exchange (where parts and labour rely on foreign imports) and inflation. Specific impacts, which have the potential to be greatest in a no-deal scenario, include the operations of the single electricity market across Northern Ireland and the Republic of Ireland; and the impact on access to goods and services from European supply chains that projects rely on for their ongoing operations and maintenance. The Investment Adviser continues to closely monitor the Brexit negotiations and assess the potential impact of different scenarios, and at this time does not envisage that Brexit will have a material impact on the Company.

Renewable energy

Sector exposure

63%¹ of portfolio

£669.6 million

1. Includes asset finance and energy efficiency, which comprise 3% of the portfolio.

Renewable energy projects benefited from high electricity prices in Q4 2018 but suffered from low wind speeds during the summer of 2018 and lower electricity prices in the first quarter of 2019. The Company benefited in a number of cases from its investee companies locking in prices on a forward basis, insulating such investments from short-term electricity price volatility.

Government support for primary renewable development remains through the contract for difference ("CfD"), renewable heat incentive ("RHI") and renewable transport fuel obligation ("RTFO") mechanisms. The third round of the CfD process is being run in May 2019 for less established renewable technologies. The Investment Adviser expects offshore wind projects will be the main beneficiary of the £60 million budget available in this round. The RHI continues to generate investment opportunities for the Company and a number of potential investments are under review as part of the current pipeline. Due to the uncertainty in future value of certificates, the Investment Adviser does not currently see any attractive investment opportunities that benefit from the RTFO.

The Investment Adviser has observed the increased involvement of Ofgem, the regulator of gas and electricity markets, in auditing ongoing and historic compliance with subsidy regimes. At the time of writing, a portfolio of solar projects in which the Company holds sub-debt and shareholder interests, (c.10% of the portfolio), and a portfolio of domestic wood-fuelled boilers to which the Company is exposed through a senior loan, (c.1% of the portfolio), are subject to ongoing audits. The Investment Adviser, through the Company's investee companies, continues to work with Ofgem and the applicable third-party service providers, in seeking to address any audit queries.

PFI/PPP

Sector exposure

22% of portfolio

£237.2 million

The Infrastructure Finance Review makes clear the Government's intent that future support models for infrastructure procurement should not take the form of the historic PFI or PF2 mechanisms. It does, however, acknowledge the need for alternative support mechanisms to attract private sector capital. The Directors and the Investment Adviser intend to contribute to, and monitor, the ongoing Infrastructure Finance Review consultation, the outcomes of which are expected to provide more detail on such alternative mechanisms. As part of the 2018 Budget, the Government reaffirmed its ongoing support for existing PFI projects and the Investment Adviser is currently reviewing a number of secondary PFI investment opportunities.

The Investment Adviser notes the prepack administration of Interserve plc ("Interserve") in the reporting period as part of the step-in of Interserve's lenders. The Company has exposure, through a guarantee product it has extended, to one hospital to which Interserve provides facilities management services, which represents 0.9% of total assets. On becoming aware of Interserve's financial challenges, the Investment Adviser worked with the relevant entities to satisfy itself of the continuity of services in a variety of potential outcomes. There has been no impact from Interserve's administration on the portfolio.

Supported living

Sector exposure

15% of portfolio

£161.7 million

The supported living subset of the wider social housing market remains a target for a number of capital providers under a long-term lease investment model. During the period, the RSH has reviewed a number of RPs of supported living who provide supported living under the long-term lease investment model, including Bespoke Supportive Tenancies Limited ("BeST") and Inclusion Housing Community Interest Company ("Inclusion Housing"). At 31 March 2019, the Company was exposed to loans used to finance a number of supported living units leased by BeST and Inclusion Housing, representing c.11% of its total assets.

Following its review, the RSH has concluded that several RPs (including BeST and Inclusion Housing) are non-compliant from financial viability and governance perspectives. The Investment Adviser understands this to be principally driven by the RSH's assessment of the sensitivity of the long-lease model to potential future changes in housing benefit. This has been a known risk since the Company started investing in this sector in 2016, and the Investment Adviser has no reason to change its view of the continued availability of this benefit for vulnerable adults cared for under a supported living model.

This is supported by the valuation of the Company's social housing assets which have remained materially stable during the period under review. The Company's loans which are exposed to both BeST and Inclusion Housing continue to perform materially in line with the Investment Adviser's expectations.

On 4 April 2019, the RSH published the 'Lease-based providers of specialist supported housing' report focused on specialist supported housing. The report sets out commentary on the risks of which investors in the sector and RPs should be mindful and notes the importance of private sector investment to the sustainability of the supported living sector. The Investment Adviser continues to work with RPs to which its borrowers are exposed in order to provide assistance, where possible, in satisfying the RSH's assessments. Further, whilst the Investment Adviser continues to see a pipeline of social housing investments with existing borrowers it will not pursue material new investments in this sector outside of the Company's existing commitments, pending further clarity over the impact of the regulator's assessment on RPs.

INVESTMENT AND PORTFOLIO REVIEW

Portfolio summary

At 31 March 2019, the Company was exposed to 47 investments with a total valuation of £1.1 billion.

At the period end, 8% of the portfolio was exposed to assets in their construction phase, most notably a waste PPP asset which is expected to complete construction in mid-2019. Following such completion, the portfolio's exposure to construction stage assets is currently expected to reduce in the medium term.

Top 10 investments

Key

- 1 Project type
- 2 % of total assets
- 3 Cash flow type

GCP Cardale PFI¹

- 1 PFI/PPP
- 2 11.0%
- 3 Unitary charge

GCP Bridge Holdings²

- 1 Various
- 2 9.9%
- 3 ROCs/FIT/RHI

GreenCo Alpha Holdings³

- 1 Offshore wind
- 2 7.1%
- 3 ROCs

Gravis Solar 1

- 1 Commercial solar
- 2 5.4%
- 3 ROCs/FIT

GCP Programme Funding⁵

- 1 Supported living
- 2 4.6%
- 3 Rental income

Gravis Asset Holdings⁴

- 1 Onshore wind
- 2 4.4%
- 3 ROCs

GCP Rooftop Solar Finance

- 1 Rooftop solar
- 2 3.9%
- 3 FIT

GCP Biomass 1

- 1 Anaerobic digestion
- 2 3.8%
- 3 ROCs/FIT

GCP Social Housing 1

- 1 Supported living
- 2 3.7%
- 3 Rental income

GCP Green Energy 1

- 1 Commercial solar
- 2 3.7%
- 3 ROCs/FIT

Top ten project counterparties

% of total assets

The Renewable Energy Company Limited (Ecotricity)	9%
Statkraft Markets GmbH	9%
Bespoke Supportive Tenancies Limited	7%
Ørsted Salg & Service A/S	7%
Power NI Energy Ltd	6%
British Gas Trading Ltd	5%
Good Energy Limited	4%
Engie SA	4%
Npower Ltd	4%
Viridian Energy Supply Ltd	3%

Top ten project service providers

% of total assets

A Shade Greener Maintenance Limited	10%
Solarplicity Asset Limited	10%
Burmeister & Wain Scandinavian Contractor A/S	8%
Bespoke Supportive Tenancies Limited	7%
Ørsted Salg & Service A/S	7%
Vestas Wind Systems A/S	6%
Agrikomp (UK) Ltd	4%
Inclusion Housing Community Interest Company	4%
Grosvenor Facilities Management	3%
Thalia Power Limited	3%

1. The Cardale loan is secured on a cross-collateralised basis against 14 separate operational PFI projects.

2. The Bridge Holdings loan is secured against seven individual projects.

3. GreenCo Alpha Holdings Limited A and B notes.

4. Gravis Asset Holdings Limited A notes.

Investments and repayments during the period

During the period, the Company made 18 advances totalling £39.1 million (£38.5 million under 17 existing facilities and £0.6 million under a new facility) and received four full unscheduled repayments of £70.9 million, reducing the number of investments from 50 to 47 at the period end. Additionally, the Company received £23.0 million of scheduled partial repayments during the period.

Early prepayments of note include c.£57 million from a loan secured against a portfolio of anaerobic digestion projects and c.£14 million from a loan secured against a commercial solar installation in the first half of the period. These prepayments resulted from the sale of the businesses that ultimately owned the projects, which occurred alongside a repayment of the existing debt. Early prepayment fees of £8.7 million were received in relation to such prepayments, representing a £3.1 million uplift against the previous carrying value of such assets.

The Company sees a risk of additional early prepayments in those mature renewable sectors that have benefited from significant yield compression in recent years, meaning equity values have increased to the point that significant prepayment costs can be absorbed within such valuations. The Company estimates that investments with a value of c.£25 million have a high likelihood of being prepaid in the next twelve months due to such circumstances. In such event the Company will benefit from early prepayment fees.

Post period end, the Company made a c.£64 million investment in subordinated loans and shareholder interests in a 54MW onshore wind farm located in Northern Ireland which has been operational for over ten years.

A detailed breakdown of the movements in valuation of the investment portfolio is provided above.

Investments and repayments in the period

Sector	Status	Security	New investments	Further advances	Scheduled repayments	Unscheduled repayments
Solar	Operational	Senior/Subordinated	£0.6 million	£0.8 million	£3.2 million	£14.0 million
PFI	Construction/ Operational	Subordinated	-	£12.4 million	£1.1 million	-
Supported living	Operational	Senior	-	£6.0 million	-	-
Anaerobic digestion	Construction	Senior	-	£0.4 million	-	£56.9 million
Wind	Construction/ Operational	Senior/Subordinated	-	£11.0 million	£16.9 million	-
Biomass	Operational	Subordinated	-	£7.7 million	£1.7 million	-
Other	Operational	Senior	-	£0.2 million	£0.1 million	-
Total			£0.6 million	£38.5 million	£23.0 million	£70.9 million

Investments and repayments post period end

Sector	Status	Security	New investments	Further advances	Scheduled repayments	Unscheduled repayments
Solar	Operational	Subordinated	-	£0.2 million	-	-
PFI	Operational	Subordinated	-	-	£0.1 million	-
Supported living	Construction	Senior	-	£1.1 million	£0.4 million	-
Wind	Operational	Subordinated	£64.1 million	£0.6 million	-	£7.7 million
Other	Operational	Senior	-	-	£0.4 million	-
Total			£64.1 million	£1.9 million	£0.9 million	£7.7 million

Pipeline of investment opportunities

The Investment Adviser is at various stages of due diligence relating to an investment pipeline with a total value of c.£160 million and continues to see attractive secondary market renewable energy investment opportunities, predominantly in onshore and offshore wind and in projects that benefit from the RHI.

The Investment Adviser is reviewing a limited number of secondary investment opportunities in the PFI sector but does not expect this to be a material area of capital deployment into the future. The Board and the Investment Adviser will closely monitor any new government mechanisms targeted at asset classes historically served by PFI and/or PPP to determine whether such mechanisms represent attractive investment opportunities.

The Company has suspended making new investments in the supported living sector outside of existing commitments, pending further clarity over the impact of the regulator's assessment on RPs in this sector and the resolution of the RSH's concerns.

Portfolio performance update

During the period there were no new material developments relating to investments the Company has previously highlighted as under-performing. The Investment Adviser continues to work with a number of investee companies to pursue recovery as part of contractual protections and to resolve ongoing performance issues. A breakdown of the valuation movements by specific drivers is provided below.

The Investment Adviser continues to actively work with its investee companies to determine opportunities for value enhancement, to provide additional coverage against debt service or to enhance the value of shareholder interests. This includes potential life extensions, refinancing, software and hardware upgrades and/or optimisation of operating costs. During the period, the Company benefited from a c.£2 million valuation gain from the refinance of the senior loans in the Race Bank offshore wind project and completed turbine software upgrades on an onshore wind farm, in both of which the Company has exposures to shareholder interests.

Investments in a portfolio of ground-mounted solar projects which benefit from eligibility for subsidies under the renewable obligation and feed-in tariff were completed by the Company in January 2018. These projects have been subject to an audit of compliance under the applicable subsidy regimes by Ofgem during the period. The Company continues to work with Ofgem to provide a satisfactory resolution of any issues that have been highlighted.

The weighted average discount rate used across the Company's portfolio at 31 March 2019 was 7.55% (31 March 2018: 7.57%).

Valuation performance attribution

Driver	Description	Impact (£)	Impact (pps)
Revaluation assumption	Revaluation of senior loan secured against a portfolio of wind and commercial solar projects.	£1.2 million	0.14
Refinancing	Refinancing of the senior loans in the Race Bank offshore wind project to maximise debt capacity and minimise the rate under the senior loan facility.	£2.7 million	0.30
Disposal	The Company modified its assumption relating to the disposal of interest in a number of renewable assets to which it gained exposure through the Green Investment Bank transaction in 2017.	£1.9 million	0.22
Inflation	Loan valuation uplifts triggered by RPI exceeding specified triggers.	£0.7 million	0.08
Total upward revaluation movements		£6.5 million	0.74
Anaerobic digestion revaluation	The Company has received an offer for the sale of two anaerobic digestion assets it has re-developed since exercising its rights and stepped into the associated companies. The Company has determined that the disposal of the assets to a party with experience in finalising the development and construction of the relevant projects is the optimal route.	(£3.0 million)	(0.34)
Revised forecasts	Valuations have been impacted by actual performance and revised forecasts of, inter alia, electricity priced and inflation.	(£4.4 million)	(0.51)
Arrangement fee allocation	Reallocation of arrangement fees between investee companies, offset by an equivalent amount in other income, refer to note 3.	(£1.0 million)	(0.11)
Total downward revaluation movements		(£8.4 million)	(0.96)
Interest payments	Net valuation movements attributable to the timing of debt service payments.	£1.9 million	0.22

Loan prepayments	Unwinding of premia associated with the historic reduction in discount rates on the loans which were prepaid in the period.	(£7.1 million)	(0.81)
Total other valuation movements		(£5.2 million)	(0.59)
Total net unrealised movements		(£7.1 million)	(0.81)

Sensitivities

This section details the sensitivity of the value of the investment portfolio to a number of the risk factors to which it is exposed. A summary of the overall investment portfolio risks, and the Investment Adviser's approach to risk, can be found on pages 20 and 21 of the Company's 2018 annual report.

Electricity prices

A number of the Company's investments rely on market electricity prices for a component of their revenues. Changes in electricity prices will therefore impact a borrower's ability to service debt or, in cases where the Company has stepped into projects and/or has direct exposure through its investment structure, impact on overall returns. The table below shows the forecast impact on NAV per share of a given percentage change in electricity prices over the full life of the forecast period.

Sensitivity applied to base case electricity price forecast assumption	(10%)	(5%)	0%	5%	10%
NAV impact (pence per share)	(2.53)	(1.22)	-	1.17	2.27

PFI termination

The risk to the Company of the shadow Labour government's policy to 'bring PFI back in-house' is hard to evaluate given the lack of specificity of the statements made and potential cost and complexity of terminating PFI arrangements. Whilst the Company's view remains that the probability of wide-scale nationalisation of PFI projects is low, the table below analyses the impact should such circumstances occur. Project agreements, the arrangements in a PFI scheme under which a local authority commits to pay for the use of an asset over its life, typically have termination provisions that allow the local authority to terminate the contract. These provisions vary between contracts, summarised below.

Provision type	% of total assets	Impact if exercised
Assets with no right for the local authority to terminate (primarily a number of healthcare investments).	1.5	No impact - no ability to terminate.
Assets where the termination payment is based on a market test mechanism to compensate investors.	14.4	Given that the assets are held by the Company at fair value, a termination of these arrangements should not have a material impact on the valuation.
Assets where the termination payment is based on a fixed IRR target for investors.	6.1	Given that discount rates have fallen significantly as the sector has matured, it is anticipated that payments under this mechanism would not fully compensate the Company as a subordinated lender.

The Company considers that the potential impact on the Company of the termination of all PFI contracts to which it has exposure would be a reduction in portfolio value of c.£35 million or 4.1 pence per share.

Inflation

A number of the Company's investments (making up c.45% of the investment portfolio by value) have some form of inflation protection. This is structured as a direct link between the return and realised inflation (relevant to the social housing portfolio and certain renewable investments) and a principal indexation mechanic which increases the principal value of the Company's loans outstanding by a share of realised inflation over a pre-determined strike level (typically 2.75 - 3.00%).

FINANCIAL REVIEW

The Company made 18 advances totalling £39.1 million in the period and delivered a shareholder total return of 4.5%.

Operating review

The Company generated operating income of £41.2 million (31 March 2018: £45.8 million), including interest receivable of £38.5 million and other income of £9.9 million primarily in respect of early prepayments, offset by net valuation losses of £7.1 million predominately attributable to the unwinding of premia associated with the historic reduction in discount rates on the loans which were prepaid in the period. Refer above for further details.

Operating income is offset by administration costs of £5.6 million (31 March 2018: £5.4 million). The Company's ongoing charges ratio was 1.1% (31 March 2018: 1.1%).

Total profit generated for the period was £33.6 million (31 March 2018: £39.5 million). The reduction in profitability is primarily due to nil realised gains from the sale of assets recognised in the current period, compared to the prior period where £9.2 million was recognised. In addition, finance costs have increased by £1.1 million reflecting the Facilities being substantially fully drawn for part of the period and further interest expense in respect of the additional debt secured through the Company's credit arrangements. Profitability is further positively impacted by premiums received from the early repayment of loans of £8.7 million, which is included within other income of £9.9 million as detailed above.

Cash generation

The Company received loan principal payments of £93.9 million, made a net repayment of £56.1 million on the Company's Facilities and made 18 advances totalling £39.1 million in the period. (30 September 2018: £25.5 million in principal payments, £116.0 million net drawdown and 30 advances totalling £377.3 million respectively). Interest payments of £24.4 million and prepayment fees of £8.7 million were used to pay cash dividends of £31.9 million (31 March 2018: £25.3 million, £nil, and £30.3 million respectively). The Company aims to manage its cash position effectively by minimising cash balances, while maintaining the financial flexibility to pursue a pipeline of investment opportunities. This is achieved through active monitoring of cash held and income generated from the portfolio and efficient use of the Company's Facilities.

Financing review

The Company issued 1,090,187 new shares in the period as part of its scrip issuance alternative. The Company utilised £75 million of the proceeds of the repayment of two loans secured against renewable projects to repay part of the Company's credit facility. The balance of each financing tranche at the period end is shown in the table below:

Facility	Commitment	Drawn at 31 March 2019	Margin (bps)	Expiry
Fixed tranche	£50 million	£50 million	190	March 2021
Revolving tranche	£115 million	£40 million	190	March 2021
Total	£165 million	£90 million		

The Company remains modestly geared at the period end with a loan to value (borrowings as a percentage of net assets) of 9.1%.

Post period end, the Company utilised £55 million of the credit facility to finance an investment secured against subordinated loans and shareholder interests in an onshore wind farm in Northern Ireland.

Dividends

The Company declared dividends of 3.8 pence per share in respect of the six months to 31 March 2019. On an annualised basis, this represents a yield of 6.0% against the share price at 29 March 2019, being the last trading day of the period.

Share price performance

The Company has delivered a shareholder total return (share price growth plus dividends reinvested) of 4.5% over the past six months and 116.7% since IPO in 2010. The Company has continued to trade at a significant premium to NAV, with an average of 12.5% for the period and 12.2% at the period end. The share price at 29 March 2019, being the last trading day of the financial period, was 126.20 pence per share. Further details on share movements are disclosed in note 9.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Under the terms of the Disclosure Guidance and Transparency Rules ("DTR") of the UK Listing Authority, the Directors are responsible for preparing the half-yearly report and unaudited interim condensed financial statements in accordance with applicable regulations.

The Directors confirm to the best of their knowledge that:

- the unaudited interim condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;
- the Chairman's interim statement and the Investment Adviser's report constitute the Company's interim management report, which includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Jersey

governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Mr Ian Reeves CBE
Chairman
22 May 2019

INDEPENDENT REVIEW REPORT

To GCP Infrastructure Investments Limited

Conclusion

We have been engaged by GCP Infrastructure Investments Limited (the "Company") to review the unaudited interim condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2019 of the Company which comprises the unaudited interim condensed statement of comprehensive income, the unaudited interim condensed statement of financial position, the unaudited interim condensed statement of changes in equity, the unaudited interim condensed statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the unaudited interim condensed set of financial statements in the half-yearly report and financial statements for the six months ended 31 March 2019 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and the DTR of the UK's Financial Conduct Authority (the "UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly report and financial statements and consider whether it contains any apparent misstatements or material inconsistencies with the information in the unaudited interim condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The half-yearly report and financial statements is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly report and financial statements in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The Directors are responsible for preparing the unaudited interim condensed set of financial statements included in the half-yearly report and financial statements in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the unaudited interim condensed set of financial statements in the half-yearly report and financial statements based on our review.

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

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it 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 Company for our review work, for this report, or for the conclusions we have reached.

Steven D. Stormonth

For and on behalf of
KPMG Channel Islands Limited
Chartered Accountants and
Recognised Auditors
Jersey

22 May 2019

UNAUDITED INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period 1 October 2018 to 31 March 2019

		Period ended 31 March 2019 £'000	Period ended 31 March 2018 £'000
	Notes		
Income			
Net income/gains on financial assets at fair value through profit or loss	3	31,365	44,957
Other income		9,859	853
Total income		41,224	45,810
Expense			
Investment advisory fees	11	(4,389)	(3,990)
Operating expenses		(1,248)	(1,404)
Total expense		(5,637)	(5,394)
Total operating profit before finance costs		35,587	40,416
Finance costs		(2,035)	(960)
Total profit and comprehensive income for the period		33,552	39,456
Basic and diluted earnings per share (pence)	6	3.83	4.78

All of the Company's results are derived from continuing operations.

UNAUDITED INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019

		As at 31 March 2019 £'000	(Audited) As at 30 September 2018 £'000
	Notes		
Assets			
Cash and cash equivalents		10,766	2,335
Other receivables and prepayments		50	265
Financial assets at fair value through profit or loss	10	1,068,485	1,130,392
Total assets		1,079,301	1,132,992
Liabilities			
Other payables and accrued expenses	7	(3,396)	(2,743)
Interest bearing loans and borrowings	8	(88,781)	(144,724)
Total liabilities		(92,177)	(147,467)
Net assets		987,124	985,525
Equity			
Share capital	9	8,771	8,760

Share premium	9	943,045	941,706
Capital redemption reserve		101	101
Retained earnings		35,207	34,958
Total equity		987,124	985,525
Ordinary shares in issue		877,155,587	876,065,400
NAV per ordinary share (pence per share)		112.54	112.49

Signed and authorised for issue on behalf of the Board of Directors.

Mr Ian Reeves CBE
Chairman
22 May 2019

Mr David Pirouet FCA
Director
22 May 2019

UNAUDITED INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the period 1 October 2018 to 31 March 2019

	Notes	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
At 1 October 2017		7,909	843,036	101	23,514	874,560
Total profit and comprehensive income for the period		-	-	-	39,456	39,456
Equity shares issued	9	831	100,471	-	-	101,302
Share issue costs		-	(1,365)	-	-	(1,365)
Dividends	5	-	(2,094)	-	(29,527)	(31,621)
At 31 March 2018		8,740	940,048	101	33,443	982,332
At 1 October 2018		8,760	941,706	101	34,958	985,525
Total profit and comprehensive income for the period		-	-	-	33,552	33,552
Equity shares issued	9	11	1,366	-	-	1,377
Share issue costs		-	(27)	-	-	(27)
Dividends	5	-	-	-	(33,303)	(33,303)
At 31 March 2019		8,771	943,045	101	35,207	987,124

UNAUDITED INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the period 1 October 2018 to 31 March 2019

	Notes	Period ended 31 March 2019 £'000	Period ended 31 March 2018 £'000
Cash flows from operating activities			
Total operating profit before finance costs		35,587	40,416
Purchase of financial assets		(39,095)	(191,584)
Repayment of financial assets		93,866	8,549
Proceeds from sale of financial assets		-	67,547
Net unrealised loss/(gain) on investments at fair value through profit or loss	3	7,136	(10,208)
Realised gain on sale of investments at fair value through profit or loss		-	(9,231)
(Decrease)/increase in other payables and accrued expenses		(188)	577
Decrease in other receivables and prepayments		201	6
Net cash flow generated from/(used in) operating activities		97,507	(93,928)
Cash flows from financing activities			
Proceeds from issue of shares (net of share issue costs)		(27)	98,635
Proceeds from interest bearing loans and borrowings	8	18,911	166,535
Repayment of interest bearing loans and borrowings	8	(75,000)	(55,000)
Dividends paid	5	(31,926)	(30,319)
Finance costs paid		(1,034)	(2,372)
Net cash flow (used in)/generated from financing activities		(89,076)	177,479
Increase in cash and cash equivalents		8,431	83,551
Cash and cash equivalents at beginning of the period		2,335	7,631
Cash and cash equivalents at end of the period		10,766	91,182
Net cash flow used in operating activities includes:			
Loan interest - cash	3	24,356	25,298
Deposit interest received	3	15	10
Non-cash items			
Purchase of financial assets (capitalised loan interest)	3	(14,145)	(220)

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

For the period 1 October 2018 to 31 March 2019

1. General information

GCP Infrastructure Investments Limited is a public company incorporated and domiciled in Jersey on 21 May 2010 with registration number 105775. The Company is governed by the provisions of the Law and the CIF Law.

The Company is a closed-ended investment company and its ordinary shares are traded on the Main Market of the London Stock Exchange.

The Company makes infrastructure investments, typically by acquiring interests in predominantly debt instruments issued by infrastructure Project Companies (or by their existing lenders or holding vehicles) that are contracted by UK public sector bodies to design, finance, build and operate infrastructure projects and by investing in other assets with a similar economic effect to such instruments.

2. Significant accounting policies

2.1 Basis of preparation

The unaudited interim condensed financial statements for the six month period 1 October 2018 to 31 March 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the EU.

The unaudited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual report and financial statements for the year ended 30 September 2018. The financial statements for the year ended 30 September 2018 were audited by KPMG Channel Islands Limited, who issued an unqualified audit opinion thereon.

The audited financial statements of the Company for the year ended 30 September 2018 were prepared in accordance with IFRS as adopted by the EU.

The financial information contained in the unaudited interim condensed financial statements for the period 1 October 2018 to 31 March 2019 has not been audited but has undergone a review by the Company's Auditor in accordance with International Standards on Review Engagements (UK & Ireland) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK.

The unaudited interim condensed financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets held at fair value through profit or loss.

The accounting policies adopted in the preparation of the unaudited interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 September 2018, except for the new and amendments to standards disclosed below.

New standards, amendments and interpretations

The Company has applied the following standards and amendments for the first time for the current accounting period commencing 1 October 2018:

- **IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2018):** replaces the existing guidance in IAS 39, Financial Instruments. IFRS 9 includes the new impairment requirements that provide users with useful information about an entity's expected credit losses on financial instruments. These new requirements incorporate the classification and measurement requirements, the impairment requirements and the general hedge accounting requirements.

Financial assets such as 'Financial assets at fair value through profit or loss' were previously measured at fair value under IAS 39. This classification is still relevant under the new standard. Therefore there was no impact on the accounting for financial assets at fair value through profit or loss. Interest bearing loans and borrowings (refer to note 8) and other receivables and prepayments are accounted for at amortised cost and meet the criteria for classification at amortised cost under IFRS 9, hence there was no change in the accounting for these assets and liabilities.

There was no impact on the Company's accounting for financial liabilities, as the new requirements only impact the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets under IFRS 15, lease receivables, loan commitments and certain financial guarantee contracts. As financial assets held by the Company are classified as fair value through profit or loss this has no impact on the measurement of the Company's financial assets.

- **IFRS 15 Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018):** the objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

Due to the previous application of IAS 39 for the recognition and measurement of net income/gains on financial assets at fair value through profit or loss, which comprises interest income received and changes in the fair value of the investments that do not fall within the scope of IFRS 15, there is no impact on the Company.

Further to the above, there are no new IFRS or IFRIC interpretations that are issued but not effective that would be expected to have a material impact on the Company's financial statements.

Going concern

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future and for a period of at least twelve months from the date of the authorisation of these unaudited interim condensed financial statements. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the unaudited interim condensed financial statements have been prepared on a going concern basis. In addition to the above mentioned, as part of Company's annual report and financial statements for the year ended 30 September 2018, the Directors undertook a longer-term assessment of the Company, the results of which can be found in the viability statement below of the aforementioned report.

2.2 Significant accounting judgements and estimates

The preparation of unaudited interim condensed financial statements in accordance with IFRS requires the Directors of the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts recognised in the unaudited interim condensed financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future.

(a) Critical accounting estimates and assumptions

Fair value of instruments not quoted in an active market

The valuation process is dependent on assumptions and estimates which are significant to the reported amounts recognised in the unaudited interim condensed financial statements, taking into account the structure of the Company and the extent of its investment activities (refer to note 10 for further information).

(b) Critical judgements

Assessment as an investment entity

The Directors have determined that the SPVs through which the Company invests fall under the control of the Company in accordance with the control criteria prescribed by IFRS 10 and therefore meet the definition of subsidiaries. In addition, the Directors continue to hold the view that the Company meets the definition of an investment entity and therefore can measure and present the SPVs at fair value through profit or loss. This process requires a significant degree of judgement, taking into account the complexity of the structure of the Company and extent of investment activities (refer to note 11 of the annual report and financial statements for the year ended 30 September 2018).

Functional and presentation currency

Items included in the unaudited interim condensed financial statements of the Company are measured in the currency of the primary economic environment in which the Company operates.

The primary objective of the Company is to generate returns in Pound Sterling, its capital-raising currency. The Company's performance is evaluated in Pound Sterling. Therefore, the Directors consider Pound Sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have adopted it as the Company's presentation currency. All values have been rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

Segmental information

For management purposes, the Company is organised into one main operating segment. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon the analysis of the Company as one segment. The financial results from this segment are equivalent to the unaudited interim condensed financial statements of the Company as a whole.

The following table analyses the Company's underlying operating income per geographical location. The basis for attributing the operating income is the place of incorporation of the underlying counterparty.

	31 March 2019 £'000	31 March 2018 £'000
Channel Islands	15	10
United Kingdom	41,209	45,800
Total	41,224	45,810

3. Operating income

The table below analyses the Company's operating income for the period per investment type:

	31 March 2019 £'000	31 March 2018 £'000
Interest on cash and cash equivalents	15	10
Net income/gains on financial assets at fair value through profit or loss	31,365	44,957
Other income ¹	9,844	843
Total	41,224	45,810

1. Other income above includes early repayment fees for the repayment of certain loans and the reallocation of arrangement fees between investee companies.

The table below analyses the net income/gains derived from the Company's financial assets at fair value through profit or loss:

	31 March 2019 £'000	31 March 2018 £'000
Loan interest - cash	24,356	25,298
Loan interest - capitalised	14,145	220
Unrealised gains on investments at fair value through profit or loss	12,194	14,005
Unrealised losses on investments at fair value through profit or loss	(19,330)	(3,797)
Realised gain on sale of financial assets at fair value through profit or loss	-	9,231
Total	31,365	44,957

The table below analyses the unrealised movements through profit or loss by the type of movement:

31 March 31 March

	2019 £'000	2018 £'000
Unrealised gains on investments at fair value through profit or loss	12,194	14,005
Unrealised losses on investments at fair value through profit or loss	(19,330)	(3,797)
Net unrealised movements on investments at fair value through profit or loss	(7,136)	10,208
Upward movements in valuation due to increased forecast cash flows	6,510	109
Downward movements in valuation due to reduced forecast cash flows	(8,449)	(773)
Other unrealised movements on investments at fair value through profit or loss ²	(5,197)	10,872
Net unrealised movements on investments at fair value through profit or loss	(7,136)	10,208

2. Other unrealised movements on investments at fair value through profit or loss are attributable to the timing of debt service payments and the unwinding of premia associated with the historic reduction in discount rates on the loans which were prepaid in the period.

4. Taxation

Profits arising in the Company for the period from 1 October 2018 to 31 March 2019 are subject to tax at the standard rate of 0% (31 March 2018: 0%) in accordance with the Income Tax (Jersey) Law 1961, as amended.

5. Dividends

Total dividends paid or declared for the period 1 October 2018 to 31 March 2019 were 3.8 pence per share (31 March 2018: 3.8 pence per share) as follows:

Quarter ended	Dividend	Pence	31 March 2019 £'000	31 March 2018 £'000
Current period dividends				
31 March 2019/18	Second interim dividend	1.9	-	-
31 December 2018/17	First interim dividend	1.9	16,658	16,593
Total		3.8	16,658	16,593
Prior period dividends				
30 September 2018/17	Fourth interim dividend	1.9	16,645	15,028
30 June 2018/17	Third interim dividend	1.9	-	-
Total		3.8	16,645	15,028
Dividends in statement of changes in equity			33,303	31,621
Dividends settled in shares ¹			(1,377)	(1,302)
Dividends in cash flow statement			31,926	30,319

1. The dividends settled in shares are where shareholders have elected to take the scrip dividend alternative.

On 25 April 2019, the Company announced a second interim dividend of 1.9 pence per ordinary share amount to £16,666,000 (including dividends settled in shares) which will be paid on 4 June 2019 to ordinary shareholders on the register as at 3 May 2019.

In accordance with the Company's constitution, in respect of the ordinary shares, the Company will distribute the income it receives to the fullest extent that is deemed appropriate by the Directors.

In declaring a dividend, the Directors consider the payment based on a number of factors, including accounting profit, fair value treatment of investments held, future investments, reserves, cash balances and liquidity. The payment of a dividend is considered by the Board and is declared on a quarterly basis. Dividends due to the Company's shareholders are recognised when they become payable.

Dividends payable on new shares issued during the respective financial period can be funded partly from share premium, to reflect the premium received on the issuance of new shares (excluding shares issued pursuant to the scrip dividend facility) and partly from retained earnings. The funding of dividends out of share premium shall not exceed the share premium to NAV of the relevant share issue, in any such circumstance.

6. Earnings per share

Basic and diluted earnings per share are calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Total profit £'000	Weighted average number of ordinary shares	Pence per share
Period ended 31 March 2019			
Basic and diluted earnings per ordinary share	33,552	876,576,712	3.83
Period ended 31 March 2018			
Basic and diluted earnings per ordinary share	39,456	825,130,843	4.78

7. Other payables and accrued expenses

	31 March 2019 £'000	(Audited) 30 September 2018 £'000
Investment advisory fees	2,157	2,258
Other payables and accrued expenses	1,239	485
Total	3,396	2,743

8. Interest bearing loans and borrowings

	31 March 2019 £'000	(Audited) 30 September 2018 £'000
Loan facilities	90,000	146,089
Unamortised arrangement fees	(1,219)	(1,365)
Total	88,781	144,724

The table below analyses the movement for the period:

	31 March 2019 £'000	(Audited) 30 September 2018 £'000
Opening balance	146,089	30,000
Proceeds from interest bearing loans and borrowings	18,911	192,178
Repayment of interest bearing loans and borrowings	(75,000)	(76,089)
Total	90,000	146,089

The Company has secured revolving credit facilities comprising £115 million with RBSI, ING and NIBC ("Facility A"), and £50 million with RBSI and ING ("Facility B"). The Facilities are secured against the portfolio of certain underlying assets held by the Company. Facility A and Facility B are repayable in March 2021. Interest on amounts drawn under Facility A and Facility B is charged at LIBOR plus 1.9% per annum. A commitment fee is payable on undrawn amounts of 0.67% on Facility A. No commitment fee is payable on Facility B as this is fixed to be fully drawn for the life of the loan.

At the beginning of the period, the Company had amounts of £146.1 million drawn on the Facilities. In November 2018, the Company made further drawdowns on Facility A, totalling £18.9 million. On 7 December 2018, a repayment was made on Facility A of £75 million. As at 31 March 2019, Facility A had £40 million drawn down and Facility B was fully drawn down at £50 million.

All amounts drawn under the Facilities are to be used in or towards the making of investments in accordance with the Company's investment policy. The Facilities include loan-to-value and interest cover covenants that are measured at Company level. The Company has maintained significant headroom against all measures throughout the

financial period and is in full compliance with all loan covenants at 31 March 2019.

9. Authorised and issued share capital

	31 March 2019		(Audited) 30 September 2018	
	Number of shares	£'000	Number of shares	£'000
Share capital				
Ordinary shares issued and fully paid				
At 1 October 2018/17	876,065,400	8,760	790,967,125	7,909
Equity shares issued through:				
Dividends settled in shares ¹	1,090,187	11	3,131,061	31
Placing programme	-	-	81,967,214	820
Total	877,155,587	8,771	876,065,400	8,760

1. The dividends settled in shares are where shareholders have elected to take the scrip dividend alternative.

Share capital is representative of the nominal amount of the Company's ordinary shares in issue.

The 1,090,187 shares issued in the period represent ordinary shares issued under the scrip dividend alternative. These are further analysed below.

The Company is authorised in accordance with its Memorandum of Association to issue up to 1.5 billion ordinary shares, 300 million C shares and 300 million deferred shares, each having a par value of one pence per share.

	(Audited) 31 March 2019		30 September 2018	
	£'000		£'000	
Share premium				
Premium on ordinary shares issued and fully paid				
Opening balance		941,706		843,036
Premium on equity shares issued through:				
Dividends settled in shares ¹		1,366		3,759
Placing programme		-		99,180
Share issue costs charged to premium		(27)		(1,396)
Dividends paid		-		(2,873)
Total		943,045		941,706

1. The dividends settled in shares are where shareholders have elected to take the scrip dividend alternative.

Share premium represents amounts subscribed for share capital in excess of nominal value less associated issue costs of the subscription.

Date	Number of shares issued	Issued share price	Description	Period
3 December 2018	673,443	125.70p	Ordinary shares issued in respect of the offer of a scrip dividend alternative	1 July 2018 to 30 September 2018
1 March 2019	416,744	127.16p	Ordinary shares issued in respect of the offer of a scrip dividend alternative	1 October 2018 to 31 December 2018
Total	1,090,187			

As at 31 March 2019, the Company's issued share capital comprised 877,155,587 ordinary shares, none of which were held in treasury.

The ordinary shares carry the right to dividends out of the profits available for distribution attributable to each share class, if any, as determined by the Directors. Each holder of an ordinary share is entitled to attend meetings of shareholders and, on a poll, to one vote for each share held.

10. Financial instruments

10.1 Capital management

The Company is funded from equity balances, comprising issued ordinary share capital, as detailed in note 9 and retained earnings, as well as credit facilities, as detailed in note 8.

The Company may seek to raise additional capital from time to time, to the extent that the Directors and the Investment Adviser believe the Company will be able to make suitable investments, with consideration given to any quantum of loan repayments due.

The Company raises capital on a highly conservative basis only when it has a clear view of a robust pipeline of highly advanced investment opportunities. The Company may borrow up to 20% of its NAV at any such time borrowings are drawn down. At the period end, borrowings amounted to 9.1% of NAV (30 September 2018: 14.8%).

10.2 Financial risk management objectives

The Company has an investment policy and strategy as summarised above, that sets out its overall investment strategy and its general risk management philosophy and has established processes to monitor and control these in a timely and accurate manner. These guidelines are the subject of regular operational reviews undertaken by the Investment Adviser to ensure that the Company's policies are adhered to as it is the Investment Adviser's duty to identify and assist in the control of risk. The Investment Adviser reports regularly to the Directors who have ultimate responsibility for the overall risk management approach.

The Investment Adviser and the Directors ensure that all investment activity is performed in accordance with the investment guidelines. The Company's investment activities expose it to various types of risk that are associated with the financial instruments and markets in which it invests. Risk is inherent in the Company's activities and it is managed through a process of ongoing identification, measurement and monitoring. The financial risks to which the Company is exposed include market risk which includes other price risk and interest rate risk, credit risk and liquidity risk.

10.3 Market risk

There is a risk that market movements in interest rates, credit markets and observable yields may decrease or increase the fair value of the Company's financial assets without regard to the assets' underlying performance. The fair value of the Company's financial assets is measured and monitored on a quarterly basis by the Investment Adviser with the assistance of the Valuation Agent.

The valuation principles used are based on a discounted cash flow methodology, where applicable. A fair value for each asset acquired by the Company is calculated by applying a relevant market discount rate to the contractual cash flows expected to arise from each asset. At period end, the fair value of three assets was determined on the basis of the Directors' estimate of recoverable value due to operational performance issues of the underlying assets.

The Valuation Agent determines the discount rate that it believes the market would reasonably apply to each investment taking into account, inter alia, the following significant inputs:

- Pound Sterling interest rates;
- movements of comparable credit markets; and
- observable yields on other comparable instruments.

In addition, the following are also considered as part of the overall valuation process:

- general infrastructure market activity and investor sentiment; and
- changes to the economic, legal, taxation or regulatory environment.

The Valuation Agent exercises its judgement in assessing the expected future cash flows from each investment. Given that the investments of the Company are generally fixed-income debt instruments (in some cases with elements of inflation protection) or other investments with a similar economic effect, the focus of the Valuation Agent is on assessing the likelihood of any interruptions to the debt service payments, in light of the operational performance of the underlying asset. Where appropriate, the Valuation Agent will also consider long-term assumptions that have a direct impact on valuation, such as power prices, inflation and availability.

The Valuation Agent carries out quarterly valuations of the financial assets of the Company.

These valuations are reviewed by the Investment Adviser and the Directors. The subsequent NAV produced is also reviewed and approved by the Directors on a quarterly basis.

The table below shows how changes in discount rates affect the changes in the valuation of financial assets at fair value. The range of discount rates used reflects the

Investment Adviser's view of a reasonable expectation of valuation movements across the portfolio in a six month period.

31 March 2019

Change in discount rate	0.50%	0.25%	0.00%	(0.25%)	(0.50%)
Valuation of financial assets at fair value (£'000)	1,028,791	1,048,297	1,068,485	1,089,386	1,111,035
Change in valuation of financial assets at fair value through profit or loss (£'000)	(39,694)	(20,188)	-	20,901	42,550

As at 31 March 2019, the discount rates used in the valuation of financial assets ranged from 5.25% to 12.43%.

30 September 2018 (audited)

Change in discount rate	0.50%	0.25%	0.00%	(0.25%)	(0.50%)
Valuation of financial assets at fair value (£'000)	1,088,240	1,108,959	1,130,392	1,152,573	1,175,539
Change in valuation of financial assets at fair value through profit or loss (£'000)	(42,152)	(21,433)	-	22,181	45,147

As at 30 September 2018, the discount rates used in the valuation of financial assets ranged from 5.50% to 10.38%.

10.4 Interest rate risk

Interest rate risk has the following effect:

Fair value of financial assets

Interest rates are one of the factors which the Valuation Agent takes into account when valuing the financial assets.

Future cash flows

The Company primarily invests in senior and subordinated debt instruments of infrastructure Project Companies. The financial assets have fixed interest rate coupons, albeit with some inflation protection, and as such movements in interest rates will not directly affect the future cash flows payable to the Company.

Interest rate hedging may be carried out to seek protection against falling interest rates in relation to assets that do not have a minimum fixed rate of return acceptable to the Company in line with its investment policy and strategy.

Where the debt instrument is subordinated, the Company is indirectly exposed to the gearing of the infrastructure Project Companies. The Investment Adviser ensures as part of its due diligence that the Project Company debt ranking senior to the Company's investment has been, where appropriate, hedged against movement in interest rates, through the use of interest rate swaps.

Borrowings

During the period, the Company made use of its facilities with RBS, ING and NIBC, which were used to finance investments made by the Company. Details of the facilities are given in note 8.

Any potential financial impact of movements in interest rates on the cost of borrowings on the Company is mitigated by the short-term nature of such borrowings.

10.5 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The assets classified at fair value through profit or loss do not have a published credit rating; however the Investment Adviser monitors the financial position and performance of the Project Companies on a regular basis to ensure that credit risk is appropriately managed.

The Company is exposed to differing levels of credit risk on all its assets. Per the unaudited interim condensed statement of financial position, the Company's total exposure to credit risk is £1,079 million (30 September 2018: £1,133 million) being the balance of total assets less prepayments. As a matter of general policy, cash is held at a number of financial institutions to spread credit risk, with cash awaiting investment being held on behalf of the Company at banks carrying a minimum rating of A-1, P-1 or F1 from Standard & Poor's, Moody's or Fitch respectively or in one or more similarly rated money market or short-dated gilt funds. The amount of working capital that may be held at RBSI is limited to £3.5 million, with any excess uninvested/surplus cash to be transferred to other financial institutions with minimum credit ratings described above. It is also recognised that the arrival of ring-fenced banking had an impact on the availability of A-rated banks.

Before an investment decision is made, the Investment Adviser performs extensive due diligence complemented by professional third-party advisers, including technical advisers, financial and legal advisers and valuation and insurance experts. After an investment is made the Investment Adviser uses detailed cash flow forecasts to assess the continued creditworthiness of Project Companies and their ability to pay all costs as they fall due. The forecasts are regularly updated with information provided by the Project Companies in order to monitor ongoing financial performance.

The Project Companies receive a significant portion of revenue from government departments and public sector or local authority clients.

The Project Companies are also reliant on their subcontractors, particularly facilities managers, continuing to perform their service delivery obligations such that revenues are not disrupted. The credit standing of each significant subcontractor is monitored by the Investment Adviser on an ongoing basis, and significant exposures are reported to the Directors quarterly.

The concentration of credit risk to any individual project did not exceed 10% of the Company's portfolio at the period end. The Investment Adviser also monitors the concentration of risk based upon the nature of each underlying project.

The concentration of credit risk associated with counterparties is deemed to be low due to asset and sector diversification. The underlying counterparties are typically public sector entities which pay pre-determined, long-term, public sector backed revenues in the form of subsidy payments (FIT, RHI and ROCs payments) for renewables transactions, unitary charge payments for PFI transactions or lease payments for social housing projects. In the view of the Investment Adviser and Board, the public sector generally has both the ability and willingness to support the obligations of these entities.

The credit risk associated with each Project Company is further mitigated because the cash flows receivable are secured over the assets of the Project Company, which in turn has security over the assets of the underlying projects. The debt instruments held by the Company are held at fair value, and the credit risk associated with these investments is one of the factors which the Valuation Agent takes into account when valuing the financial assets.

The Investment Adviser regularly monitors the concentration of risk based upon the nature of each underlying project to ensure appropriate diversification and risk remains within acceptable parameters.

Changes in credit risk affect the discount rate. The sensitivity of the fair value of the financial assets at fair value through profit or loss is disclosed above. The Directors have assessed the credit quality of the portfolio at the period end and based on the parameters set out above are satisfied that the credit quality remains within an acceptable range for long-dated debt.

10.6 Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and interest bearing loans and borrowings.

The following table analyses all of the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period from 31 March 2019 to the contractual maturity date. The Directors have elected to present both assets and liabilities in the liquidity disclosure below to illustrate the net liquidity exposure of the Company.

All cash flows in the table below are on an undiscounted basis.

	Less than one month £'000	One to three months £'000	Three to twelve months £'000	Greater than twelve months £'000	Total £'000
31 March 2019					
Financial assets					
Cash and cash equivalents	10,766	-	-	-	10,766
Other receivables and prepayments	-	-	50	-	50
Financial assets at fair value through profit or loss	8,902	25,832	99,252	2,151,001	2,284,987
Total financial assets	19,668	25,832	99,302	2,151,001	2,295,803
Financial liabilities					
Other payables and accrued expenses	-	(3,396)	-	-	(3,396)
Interest bearing loans and borrowings	-	-	(2,646)	(92,609)	(95,255)
Total financial liabilities	-	(3,396)	(2,646)	(92,609)	(98,651)
Net exposure	19,668	22,436	96,656	2,058,392	2,197,152

	Less than one month £'000	One to three months £'000	Three to twelve months £'000	Greater than twelve months £'000	Total £'000
30 September 2018 (audited)					
Financial assets					
Cash and cash equivalents	2,335	-	-	-	2,335
Other receivables and prepayments	-	-	265	-	265
Financial assets at fair value through profit or loss	12,900	24,997	66,982	2,308,693	2,413,572
Total financial assets	15,235	24,997	67,247	2,308,693	2,416,172
Financial liabilities					
Other payables and accrued expenses	-	(2,743)	-	-	(2,743)
Interest bearing loans and borrowings	-	-	(3,869)	(151,855)	(155,724)
Total financial liabilities	-	(2,743)	(3,869)	(151,855)	(158,467)
Net exposure	15,235	22,254	63,378	2,156,838	2,257,705

10.7 Fair values of financial assets

Basis of determining fair value

The Valuation Agent carries out quarterly valuations of the financial assets of the Company. These valuations are reviewed by the Investment Adviser and the Directors. The subsequent NAV produced is reviewed and approved by the Directors on a quarterly basis.

The basis for the Valuation Agent's valuations is described in note 10.3.

Fair value measurements

Investments are measured and reported at fair value and are classified and disclosed in one of the following fair value hierarchy levels depending on whether their fair value is based on:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

An investment is always categorised as Level 1, 2 or 3 in its entirety. In certain cases the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgement and is specific to the investment.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The table below analyses all investments held by the level in fair value hierarchy into which the fair value measurement is categorised:

		(Audited) 31 March 2019 £'000	30 September 2018 £'000
Financial assets at fair value through profit or loss	Fair value hierarchy		
Loan notes	Level 2	888,104	895,468
Loan notes	Level 3	180,381	234,924

The Directors have classified the financial instruments as Level 2 or Level 3 depending on whether or not there is a consistent data set of comparable and observable market transactions. Due to the limited number of comparable and observable market transactions, the Directors have classified the Company's investments in biomass projects as Level 3 (30 September 2018: Level 3). At the period end, the fair value of three assets (including one biomass project) was determined on the basis of the Directors' estimate of recoverable value due to operational performance issues of the underlying assets. Therefore, two investments in non-biomass projects have been classified as Level 3 (30 September 2018: two as Level 3) at period end. There were no transfers between Level 2 and Level 3 during the period (30 September 2018: transfers of £9.5 million from Level 2 to Level 3). Discount rates between 7.0% and 12.4% (30 September 2018: 7.0% and 10.3%) were applied to the investments categorised as Level 3.

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and end of the period:

	(Audited) 31 March 2019 £'000	30 September 2018 £'000
Opening balance	234,924	239,292
Purchases	8,353	13,253
Repayments	(58,654)	(18,828)
Unrealised gains on investments at fair value through profit or loss	3,135	578
Unrealised losses on investments at fair value through profit or loss	(7,377)	(8,871)
Transfers from Level 2	-	9,500
Closing balance	180,381	234,924

For the Company's financial instruments categorised as Level 3, changing the discount rates used to value the underlying instruments alters the fair value. A change in the discount rates used to value the Level 3 investments would have the following effect on profit:

31 March 2019	0.50%	0.25%	0.00%	(0.25%)	(0.50%)
Level 3					
Valuation of financial assets at fair value (£'000)	175,824	178,076	180,381	182,740	185,156
Change in valuation of financial assets at fair value through profit or loss (£'000)	(4,557)	(2,305)	-	2,359	4,775
30 September 2018					
Level 3					
Valuation of financial assets at fair value (£'000)	228,846	231,850	234,924	238,069	241,288
Change in valuation of financial assets at fair value through profit or loss (£'000)	(6,078)	(3,074)	-	3,145	6,364

In determining the discount rates for calculating the fair value of financial assets at fair value through profit or loss, movements to Pound Sterling interest rates, comparable credit markets and observable yield on comparable instruments could give rise to changes in the discount rate.

The Directors consider the inputs used in the valuation of investments and the appropriateness of their classification in the fair value hierarchy. In particular, the Directors are satisfied that significant inputs into the discount rate, other than in respect of the investments classed as Level 3 as noted above, are market observable. Should the valuation approach change, causing an investment to meet the characteristics of a different level of the fair value hierarchy, it will be reclassified accordingly.

11. Related party disclosures

As defined by IAS 24 Related Party Disclosures, 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.

Directors

The non-executive Directors are considered to be the key management personnel of the Company. Directors' remuneration including expenses for the period totalled £186,000 (31 March 2018: £188,000). At 31 March 2019, liabilities in respect of these services amounted to £90,000 (30 September 2018: £94,000).

At 31 March 2019, Mr Paul De Gruchy, together with his family members held 520,228 ordinary shares in the Company (30 September 2018: 504,938 ordinary shares).

At 31 March 2019, Mr Clive Spears held 56,080 ordinary shares (30 September 2018: 54,423 ordinary shares).

Investment Adviser

The Company is party to an Investment Advisory Agreement with the Investment Adviser, which was most recently amended and restated on 13 December 2017, pursuant to which the Company has appointed the Investment Adviser to provide advisory services relating to the assets on a day-to-day basis in accordance with its

investment objectives and policies, subject to the overall supervision and direction of the Board of Directors. As a result of the responsibilities delegated under this Agreement, the Company considers the Investment Adviser to be a related party by virtue of being 'key management personnel'. Under the terms of the Investment Advisory Agreement, the notice period of the termination of the Investment Adviser by the Company is 24 months. The remuneration of the Investment Adviser is set out below.

For its services to the Company, the Investment Adviser receives an annual fee at the rate of 0.9% (or such lesser amount as may be demanded by the Investment Adviser at its own absolute discretion) multiplied by the sum of:

- the NAV of the Company; less
- the value of the cash holdings of the Company pro rata to the period for which such cash holdings have been held.

The Investment Adviser is also entitled to claim for expenses arising in relation to the performance of certain duties and, at its discretion, 1% of the value of any transactions entered into by the Company (where possible the Investment Adviser seeks to charge this fee to the borrower).

The Investment Adviser receives a fee of 0.25% of the aggregate gross proceeds from any issue of new shares in consideration for the provision of marketing and investor introduction services. The Investment Adviser has appointed Highland Capital Partners Limited ("Highland Capital") to assist it with the provision of such services and pays all fees due to Highland Capital out of the fees it receives from the Company.

The Company's Investment Adviser is authorised as an AIFM by the FCA under the AIFMD regulations. The Company has provided disclosures on its website, incorporating the requirements of the AIFMD regulations. The Investment Adviser receives an annual fee of £60,000 in relation to its role as the Company's AIFM, increased annually at the rate of the RPI prevailing at the time.

During the period, the Company expensed £4,389,000 (31 March 2018: £4,240,000) in respect of investment advisory fees and expenses, marketing fees and transaction management and documentation services, £4,389,000 (31 March 2018: £3,990,000) which is included within expenses in the unaudited interim condensed statement of comprehensive income and £nil (31 March 2018: £250,000) included within the share issue costs relating to share issues during the period in the unaudited interim condensed statement of changes in equity. As at 31 March 2019, liabilities in respect of these services amounted to £2,157,000 (30 September 2018: £2,258,000).

The directors of the Investment Adviser also sit on the boards of, and control, several SPVs through which the Company invests. The Company has delegated the day-to-day operations of these SPVs to the Investment Adviser through the Investment Advisory Agreement.

The voting directors of the Investment Adviser hold directly or indirectly, and together with their family members, 2,145,604 ordinary shares in the Company (30 September 2018: 2,521,955 ordinary shares).

The non-voting directors of the Investment Adviser hold directly or indirectly, and together with their family members, 6,742,548 ordinary shares in the Company (30 September 2018: 6,543,676 ordinary shares).

12. Reconciliation of NAV

This note reconciles the NAV as at 31 March 2019 reported in the unaudited interim condensed financial statements to the NAV as at 29 March 2019 published via RNS on 16 April 2019.

	Total £'000	Pence per share
NAV as at 29 March 2019 as published on 16 April 2019	986,774	112.50
Adjustment for expense accruals	(79)	(0.01)
Adjustment for valuation movements	429	0.05
NAV as at 31 March 2019 as per the unaudited interim condensed financial statements	987,124	112.54

	Total £'000	Pence per share
NAV as at 28 September 2018 as published on 17 October 2018	984,467	112.37
Adjustment for expense accruals	(72)	(0.01)
Adjustment for valuation movements	1,130	0.13
NAV as at 30 September 2018 as per the audited annual financial statements	985,525	112.49

13. Subsequent events after the report date

The Company declared, on 25 April 2019, a second interim dividend of 1.9 pence per ordinary share amounting to £16,666,000 (including dividends settled in shares) which will be paid on 4 June 2019 to ordinary shareholders who are recorded on the register at close of business on 3 May 2019.

The Company made, on 20 May 2019, an additional commitment of c.£64 million secured against subordinated loans and shareholder interest in a 54MW operational onshore wind farm in Northern Ireland. An additional £55 million was drawn from the Company's revolving credit facility to finance this investment. The Company also made further advances of £1.9 million under existing facilities post period end.

14. Non-consolidated SPVs

As explained in note 2.2, the Company invests through certain SPVs which are not consolidated in these financial statements due to the Company meeting the criteria of an investment entity and therefore applying the exemption to consolidation under IFRS 10, and has measured its financial interests in these SPVs at fair value through profit and loss.

For details of the non-consolidated SPVs, refer to the Company's annual report and financial statements for the year ended 30 September 2018.

15. Ultimate controlling party

It is the view of the Directors that there is no ultimate controlling party.

GLOSSARY OF KEY TERMS

AIFM

Alternative Investment Fund Manager

AIFMD

Alternative Investment Fund Managers Directive

Annualised yield

The yield on the investment portfolio calculated with reference to the relative size of each investment, expressed as an annual percentage

Average life

The weighted average of the length of time until a loan is fully repaid

Borrower

The entity which issues loan notes to GCP Infrastructure Investments Limited, usually a special purpose vehicle

CBE

Commander of the Most Excellent Order of the British Empire

CIF Law

Collective Investment Funds (Jersey) Law 1988

The Company

GCP Infrastructure Investments Limited

C shares

A share class issued by the Company from time to time. Conversion shares are used to raise new funds without penalising existing shareholders. The funds raised are ring-fenced from the rest of the Company until they are substantially invested

Deferred shares

Redeemable deferred shares of £0.01 each in the capital of the Company arising from C share conversion

EU
European Union

Facilities
Revolving credit facilities with RBSI, ING and NIBC

FCA
Fellow of the Institute of the Chartered Accountants in England and Wales

FT
Feed-in tariff

IAS
International Accounting Standards

IFRIC
International Financial Reporting Interpretations Committee

IFRS
International Financial Reporting Standards

ING
ING Bank N.V.

IPA
Infrastructure and Project Authority

IPO
Initial public offering

IRR
Internal rate of return

KPIs
Key performance indicators

KPMG
KPMG Channel Islands Limited

The Law
The Companies (Jersey) Law 1991, (as amended)

LIBOR
The London inter-bank offered rate

MW
Megawatt

NAV
Net asset value

NIBC
NIBC Financing N.V.

Ongoing charges ratio
Annual percentage reduction in shareholder return as a result of recurring operational expenses calculated as defined in the AIC Corporate Governance Code

Ordinary shares
The ordinary share capital of the Company

PF1
Private Finance Initiative

PF2
Private Finance 2

PPA
Power purchase agreement

PPP
Public private partnership

Project Company
A special purpose company which owns and operates an asset

Public sector backed
Revenues arising from UK central Government or local authorities or from entities themselves substantially funded by UK central Government or local authorities, obligation of NHS Trusts, UK registered social landlords and universities and revenues arising from other Government sponsored or administered initiatives for encouraging the usage of renewable or clean energy in the UK

RBSI
Royal Bank of Scotland International Limited

RHI
Renewable heat incentive

RNS
Regulatory News Service

ROCs
Renewable obligation certificates

RP
Registered providers

RSH
Regulator for Social Housing

RTFO
Renewable transport fuel obligation

Senior ranking security
Security that gives a loan priority over other debt owed by a borrower in terms of control and repayment in the event of default or borrower bankruptcy

Shareholder total return
Share price growth with dividends deemed to be reinvested on the dividend date expressed as a percentage

SPV
Special purpose vehicle

UK Code
UK Corporate Governance Code

UK FCA
The UK's Financial Conduct Authority

Weighted average discount rate
A rate of return used in valuation to convert a series of future anticipated cash flows to present value under a discounted cash flow approach. The discount rate is calculated with reference to the relative size of each investment

CORPORATE INFORMATION

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Notes to Editors

GCP Infra is a closed-ended investment company and FTSE-250 constituent whose shares are traded on the main market of the London Stock Exchange. Its objective is to provide shareholders with regular, sustained, long term distributions and to preserve capital over the long term by generating exposure to UK infrastructure debt and related and/or similar assets. The Company primarily targets investments in infrastructure projects with long term, public sector-backed, availability-based revenues. Where possible, investments are structured to benefit from partial inflation-protection. GCP Infra is advised by Gravis Capital Management Limited.

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