

Annual Financial Report

RNS Number : 8306T
GCP Infrastructure Investments Ltd
19 December 2012

GCP Infrastructure Investments Limited (the "Company")

Annual Report and Audited Consolidated Financial Statements for the year ended 30 September 2012

The Directors of the Company are pleased to announce the Company's annual results for the year ended 30 September 2012. The full Annual Report and Accounts can be accessed via the Company's website at <http://gcpuk.com/gcp-infrastructure-investments-ltd> and will be posted to shareholders shortly.

Overview

For the year ended 30 September 2012 (the "Year")

- Successful capital raise in December 2011 of £67.4 million (the "2011 C Share Issue"), with £63.7 million raised through the Placing and Offer for Subscription of C Shares and £3.6 million raised through the arrangement for switching
- Investment of substantially all of the proceeds from the 2011 C Share Issue in GCP Infrastructure Fund Limited (the "Master Fund") C Shares
- Deployment by the Master Fund of capital raised through the 2011 C Share Issue triggered conversion of C Shares into Ordinary Shares in May 2012
- Tap issue in June 2012 raised a further £11.3 million (the "Tap Issue")
- Company holding 74.35 per cent. of issued share capital in the Master Fund as at 30 September 2012; together, the Company and the Master Fund form the "Group"
- Investments made by the Master Fund totalling £86.8 million during the year
- Third party valuation of the Master Fund's investment portfolio of £157.1 million as at 30 September 2012, of which the Company's share totalled £116.8 million
- Master Fund investment portfolio performing in line with expectation, with underlying infrastructure assets reporting no material operational issues
- Net asset value ("NAV") of 100.95 pence per Company Ordinary share as at 28 September 2012
- Net profit for the year of £4.3 million
- Company distribution of 3.70 pence per share for the six month period to 31 March 2012 paid in June 2012, and distribution of 3.80 pence per share for the six month period to 30 September 2012 declared on 19 November 2012
- Successful capital raise post year-end in October 2012 of £144.4 million (the "2012 C Share Issue") considerably oversubscribed

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Note to Editors

The Company is a listed closed-ended investment company that seeks to generate returns from UK infrastructure debt and related and/or similar assets (the "Target Assets"). The Company achieves this by investing substantially all of its capital in the Master Fund, an open-ended investment company that holds the Target Assets. The Company is the majority shareholder of the Master Fund.

Chairman's Statement

Introduction

On behalf of the Board, I am pleased to report a period of substantial growth for the Company and the Group. The Company raised £67.4 million in December 2011, £11.3 million in June 2012, and a further £144.4 million shortly after the year end in an offering that was considerably oversubscribed. We have seen consistent ongoing investor demand for the Company's shares resulting in both the Ordinary Shares and C Shares trading at a premium to net asset value ("NAV").

The support for the three capital raisings from both existing and new shareholders was a strong demonstration of confidence not only in the infrastructure sector, but more specifically in the Company's investment strategy. All investors, from individuals to institutions, are currently faced with a significant challenge in finding lower risk investments that generate a meaningful yield. This search is often complicated by a competing desire to secure investments that mitigate the dangers of high inflation.

Investors are increasingly looking to the infrastructure sector, and to the Company, to address these issues, drawing comfort from investments that benefit from the security and predictability of public sector-backed, inflation protected cash flows whilst producing yields considerably in excess of government bonds.

Deployment of the capital raised in December 2011 proceeded as expected, with the C Shares issued converting into Ordinary Shares in May 2012. In light of the Master Fund's increasingly prominent position as one of the very few specialist lenders to the UK infrastructure sector, the Board remains confident that a sufficient pipeline of attractive investment opportunities exists to enable the timely investment of the capital raised in October 2012.

Group update

Substantially all of the capital raised by the Company through the 2011 C Share Issue and the Tap Issue was invested, via the Master Fund, in a variety of infrastructure debt investments. The Master Fund made investments totalling £86.8 million during the year. The Investment Adviser is actively progressing a pipeline of opportunities in order to deploy the capital raised from the 2012 C Share Issue.

The Master Fund's investment portfolio as at 30 September 2012 consisted of 23 infrastructure loans with a value of £157.1 million secured against the cash flows of a wide variety of Private Finance Initiative ("PFI") and Feed in tariff ("FIT") projects. The Board remains confident that the contracts that govern the cash flows associated with these projects will be honoured and the payments due under the Group's investments paid in full.

Financial Results

The total comprehensive income for the Period was £4.3 million.

Distributions

The Company paid a distribution of 3.70 pence per share for the six month period from 1 October to 31 March 2012. Subsequent to the year end, the Company declared on 19 November 2012 a dividend of 3.80 pence per Ordinary Share for the six month period from 31 March 2012 to 30 September 2012.

NAV and share price

The Company's share price has traded at a premium to net asset value throughout the year. The Company's share price and net asset value per Ordinary Share as at the last business day prior to the year end, being 28 September 2012, were 106.63 pence per share and 100.95 pence per share respectively.

As at 30 November 2012 the Company's share price and net asset value per Ordinary share were 107.50 pence per share and 98.40 pence per share respectively.

Mr. Ian Reeves CBE

Investment Adviser's Report

The Company's investment objectives are to provide its shareholders with regular, sustained, long-term distributions and to preserve the capital value of its investment assets over the long term, by generating exposure to subordinated PFI debt and related and/or similar assets. The Company's investment objectives are in line with the investment objectives of the Master Fund. The Company achieves its investment objectives by investing substantially all of its capital in Ordinary Redeemable Income Shares of the Master Fund.

The Master Fund primarily targets infrastructure investments after the design and build phases have been completed and the assets are operational, although it may also consider, up to an absolute maximum of 25 per cent. of its total assets (at the time the relevant investment is made), investments in infrastructure assets that are either backed by regulated utility cash flows or are in construction. Full details of the Company's and the Master Fund's investment objectives and policy are included on page 22 of the Annual Report.

Market Updates

In his autumn statement on 5 December 2012, the Rt. Hon George Osborne MP, the Chancellor of the Exchequer, outlined the government's vision for the future of UK infrastructure in the form of PF2, the long awaited replacement of PFI. PF2 is, as expected, substantially based on PFI with a few significant changes.

On the financing side, projects will be less geared, capped at an expected 80 per cent. compared to the 90 per cent. gearing for PFI deals. The much larger equity capital is to be provided by three distinct sources: developer equity, public sector equity (up to 49 per cent.) and so called "third party equity". The third party equity will be procured through a funding competition, and is an attempt to attract long term institutional investors. The provision of public sector equity will come with project company board representation, and is an attempt to align the interests of the public and private sectors and to ensure the public sector has greater visibility of, and control over, project performance.

Two of the most vehemently criticised aspects of PFI, the inflexibility of operational maintenance contracts and the cost and time associated with procurement, have also been addressed directly. The government is introducing flexible soft facilities management contracts, meaning the public sector will be able to change service providers at any point during the PF2 contract and choose cheaper options. The government has also stated that procurement times for PF2 deals can last no longer than 18 months.

The Treasury also published the updated National Infrastructure Plan (the "Plan") 2012, detailing a pipeline of 550 new infrastructure projects to be built over the next decade at a cost of about £330 billion. The government views infrastructure development as a key driver of economic growth, in the medium term through the creation of thousands of jobs, and in the longer term through the renewal and modernisation of the country's infrastructure.

How the market reacts to PF2 is yet to be seen. It will be crucial that the private sector debt and equity markets get comfortable with the new structure given the enormous private sector funding requirement for the proposed infrastructure development.

Renewable Energy

Renewable energy is energy from resources which are naturally replenished, such as sunlight, wind, tides and geothermal energy. In recent years there have arisen significant concerns around both the limited nature of many traditional sources of power, heating and transport fuels, such as oil, gas and coal, and the impact that the use of such sources has upon the environment. As a result, a substantial political will has developed to encourage the take-up of renewable energy as a proportion of total energy use on a global level.

In the UK, a variety of incentives have been introduced by the government in order to increase the country's use of renewable energy, including the Feed-in Tariff ("FIT") scheme, the Renewable Heat Incentive ("RHI") and the Renewable Obligation scheme (through Renewable Obligation Certificates, or "ROCs").

The primary generation methodologies attracting payments of FITs are generally smaller scale systems and include solar photovoltaic systems, anaerobic digestion systems and small onshore wind sites. ROCs tend to be more targeted at larger scale generators such as energy from- waste (where electricity is generated from the combustion or gasification of waste) and large onshore or all offshore wind farms. RHI is focused on biomass, heat pump, solar thermal and biomethane projects.

The key consideration in any renewable investment is the security and dependability of the underlying government subsidy cash flows, whether it is the FIT generated by Solar PV panels, or ROCs generated by a biomass plant. Our technical due diligence focuses on the maturity of the technology and other key operational risks inherent in the project.

The Master Fund is currently considering a wide variety of senior debt investment opportunities across the renewable sector.

Debt Markets

The National Infrastructure Plan outlined the government's aim to raise £150 billion from the private sector, the majority of which would be debt finance. The high capital cost of infrastructure assets means they are best financed by long dated debt, and it remains the case that there are currently relatively few providers of long dated debt.

Banks continue to retreat from long-term lending due to Basel II / III and concerns regarding their own liquidity. The bond markets are still predominantly shut to new issuances following the collapse of monoline insurers, and the involvement of pension funds and insurers is hampered by impending regulation in the form of Solvency II. Those entities that are lending, a few of the Japanese banks and some insurers and pension funds, are more focused on larger value transactions.

It is the pension funds in particular that the government has turned to in the hope that they will play a key role in funding the planned infrastructure expenditure. It was announced in September 2012 that seven pension funds had given soft commitments to the government to allocate approximately £2 billion to a platform to invest in UK infrastructure projects, although it remains unclear at what stage in the development of an infrastructure asset the pension funds will invest, and whether they will provide debt or equity.

A clear indication of the government's concern surrounding the constrained credit environment was their announcement in mid-July 2012 regarding the roll out of a £40 billion loan guarantee programme designed to assist in the financing of infrastructure projects that had stalled specifically due to adverse credit conditions. It is hoped that this will help progress what is a relatively limited infrastructure development pipeline.

Current Investment Focus and Pipeline

We are currently exploring a variety of investment options in line with the Master Fund's investment policy and return requirements. The pervasive dearth of long dated debt providers, particularly for smaller scale infrastructure projects, means that the Master Fund's offering of long dated, fixed interest, debt financing remains, in our view, an attractive option for many holders and developers of infrastructure assets.

Despite the uncertainties surrounding the government's PFI review, there remains a considerable pipeline of investment opportunities in the PFI sector, in the short term from existing completed assets and in the medium term from those that are currently in construction.

The increasing number of investors targeting operational PFI assets, from listed infrastructure funds to pension funds, has resulted in a tightening in the market generally, and means that the best value transactions are now particularly in smaller off-market deals.

The almost complete lack of term lenders to the renewable sector (FIT cash flows are typically contracted for 20-25 years, the ROC regime expires in 2037), has meant that we have seen the emergence of a significant pipeline of suitable senior debt investment opportunities for the Master Fund in this area. Similarly to the Master Fund's focus in PFI, we are finding best value in smaller transactions, particularly with developers that are aggregating portfolios of assets. Due to the relatively limited capital requirements of smaller projects, such developers are finding it almost impossible to attract the attention of those banks and institutions that are considering advancing longer term finance. This credit environment has resulted in pricing on senior debt that we consider to be disproportionate to the risks.

We remain active in our efforts to fund social housing projects backed by leases to registered social landlords and local authorities, and given the ongoing pressure on the balance sheets of senior lenders to the UK PFI sector, we remain confident that highly attractive investment opportunities will emerge through our relationships with a variety of lenders.

Portfolio Overview

i. Acquisitions

During the year, the Master Fund made 11 investments totalling £86.8 million. On 4 October 2011, the Master Fund committed to advance a series of loans of up to £15 million (the "ASG1 Loans"). The ASG1 Loans are expected to have a term of c.23.5 years and have an interest rate of 9.52 per cent. annual equivalent whilst benefitting from an element of inflation protection. £11.5 million has been drawn down to date, and there are expected to be no further drawings. The ASG1 Loans are secured on a senior basis against the cash flows arising under the UK Government's FIT scheme from a portfolio of c.900 domestic solar panel installations in England against a schedule of completed installations. The installations have been effected by A Shade Greener Limited.

On 30 November 2011, the Master Fund advanced a loan of £10.3 million (the "Education Loan") secured on a subordinated basis against an education PFI project comprising 3 schools (the "Project"). The Project is located in England and has been operational since 2007. The Education Loan has a term of c.23 years and generates a return of c.9.20 per cent. annual equivalent.

On 6 January 2012, the Master Fund committed to advance a further series of loans in an aggregate size of up to £15.1 million (the "ASG2 Loans"). The ASG2 Loans are expected to have a term of c.25 years and have an interest rate of 9.52 per cent. annual equivalent whilst benefitting from an element of inflation protection. £14.5 million has been drawn down to date, and there will be no further drawings. The ASG2 Loans are secured on a senior basis against the cash flows arising under the FIT scheme from a portfolio of c.1,000 domestic solar panel installations in England against a schedule of completed installations. The installations have been effected by A Shade Greener Limited.

On 26 April 2012, the Master Fund advanced a loan of £11.3 million (the "Civic Loan"). The Civic Loan is secured on a subordinated basis against the cash flows arising from a portfolio of education and custodial PFI assets yielding an effective rate of 9.31 per cent. annual equivalent with an expected remaining term of 17 years.

On 30 April 2012, the Master Fund advanced a loan of £14.4 million (the "Solar Loan"). The Solar Loan is secured on a senior basis against the cash flows arising from a solar photovoltaic farm, and yields an effective rate of 9.47 per cent. annual equivalent with an expected remaining term of 24 years.

On 12 June 2012, the Master Fund advanced a loan of £4.3 million (the "Cardale Loan"), which is secured against the cash flows arising from a varied portfolio of UK PFI assets yielding an effective rate of 9.74 per cent. annual equivalent with an expected remaining term of 23 years.

On 22 June 2012, the Master Fund subscribed for loan notes with an aggregate value of approximately £13.5 million (the "Notes") secured on a subordinated basis against a portfolio of senior UK PFI loans. The Notes will pay interest, at a rate of 3 month LIBOR plus 8.75 per cent. per annum, on a quarterly basis and have a final maturity date in approximately 29 years' time, but we expect the Notes to be redeemed in approximately 15 years.

On 7 August 2012, the Master Fund committed to advance a further series of loans in an aggregate size of up to £6.0 million (the "ASG3 Loans").

The ASG3 Loans are expected to have a term of c.25 years and have an interest rate of 9.31per cent. annual equivalent whilst benefitting from an element of inflation protection. £2.9 million was drawn down as at 30 September 2012, with the remaining £3.1 million drawn down post year end. The ASG3 Loans are secured on a senior basis against the cash flows arising under the FIT scheme from a portfolio of c. 1,000 domestic solar panel installations in England against a schedule of completed installations. The installations are being effected by A Shade Greener Limited.

In addition to the above investments during the year, the Master Fund acquired loan notes issued by Infrastructure Intermediaries No.1 Limited with an aggregate value of approximately £4 million. The loan notes are secured against a variety of healthcare and education PFI assets.

ii. Portfolio exposure

The Master Fund's investment portfolio consists of 23 infrastructure loans (the "Loans"). The Loans have all been made against the performance of a number of availability based UK PFI projects and against cash flow receivable under the FIT scheme (the "Projects").

54 per cent. of the Loans are subordinated and 28 per cent. are senior loans, with the remaining 18 per cent. being senior loan guarantees. 28 per cent. of the Loans are exposed to the education sector, 28 per cent. to FIT cash flows, 24 per cent. to the healthcare sector, 8 per cent. to the leisure sector, 6 per cent. to accommodation assets and the remainder to a variety of PFI projects. The weighted average annualised yield and expected remaining term of the Loans is 9.64per cent. and 21 years respectively. The valuation of the Company's exposure to the Loans is £157.1 million (based on a valuation carried out by Mazars LLP, the Valuation Agent, as at 30 September 2012) and reflects a weighted average discount rate across the portfolio of Loans of c. 9.64 per cent.

iii Performance

None of the Projects have reported any material operational performance issues during the year.

Valuation and Discount rates

An independent third party valuation is carried out on a monthly basis by the Valuation Agent, Mazars LLP. The valuation principles used by the Valuation Agent are based on a discounted cash flow methodology. A fair value for each asset acquired by the Master Fund is calculated by applying a discount rate (determined by the Valuation Agent) to the cash flow expected to arise from each such asset.

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

- sterling interest rates
- movements of comparable credit markets
- general infrastructure market activity and investor sentiment
- 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 Master Fund will be fixed income debt instruments (in some cases with elements of inflation protection), 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.

The valuation of the Master Fund's investment portfolio as at 30 September 2012 was £157.1 million. The discount rates used by the Valuation Agent to value the Company's investments ranging between 8.82 per cent. and 10.92 per cent. with a weighted average discount rate across the portfolio of 9.64 per cent.

Group Portfolio
As at 30 September 2011

Asset	Asset type	Sector	Value* (£m)	Expected Remaining Terms (yrs)	Annualised Yield %
Cardale	Subordinated loan	Various UK PFI 5	4.4	23	9.7
Civic PFI	Subordinated loan	Education	11.8	17	9.3
Education PFI	Subordinated loan	Education	10.9	23	9.2
GEM 1	Senior loan guarantee	Various UK PFI 2	14.3	8	9.8
GEM 2	Senior loan guarantee	Various UK PFI 3	13.8	14	9.8
GPFI Braintree	Subordinated loan	Healthcare	3.1	26	9.6
GPFI Lanchester	Subordinated loan	Healthcare	3.1	26	9.6
GPFI North Yorks Schools	Subordinated loan	Education	1.9	26	9.6
GPFI Runwell	Subordinated loan	Healthcare	3.1	26	9.6
GPFI Stanley	Subordinated loan	Healthcare	3.1	26	9.6
Infra Inter 1 A	Subordinated loan	Healthcare	7.9	28	9.6
Infra Inter 1 B	Subordinated loan	Healthcare	8.3	20	9.6
Infra Inter 1 C	Subordinated loan	Various UK PFI 4	11.2	26	9.6
Infra Inter 1 D	Subordinated loan	Education	2.2	27	9.3
Infra Inter 1 E	Subordinated loan	Healthcare	1.4	26	9.5
Infra Inter 2	Senior loan	Feed-in tariff	11.7	23	9.5
Infra Inter 3	Senior loan	Feed-in tariff	14.6	24	9.5
Infra Inter 4	Senior loan	Feed-in tariff	14.7	24	9.5
Infra Inter 5	Senior loan	Feed-in tariff	3.0	24	9.3
Kirklees	Subordinated loan	Education	2.4	19	9.6
LIL Amber Valley	Subordinated loan	Leisure	4.3	26	10.5
LIL Rotherham	Subordinated loan	Leisure	3.3	28	10.5
LIL Wolverhampton	Subordinated loan	Leisure	2.6	23	10.5
			157.1		

Weighted average annualised yield 9.6%

Weighted average expected remaining term 21 yrs

1. Valuation Agent's valuation as at 30 September 2012
2. 1 leisure, 1 street lighting, 1 housing, 1 health and 10 education PFI projects
3. 1 leisure, 2 emergency services, 1 custodial, 1 accommodation, 3 health and 12 education PFI projects
4. 1 healthcare and 2 accommodation PFI projects
5. A variety of leisure, healthcare and education PFI projects

Total Exposure by Sector	£	%
Feed-in tariff	44,154,322	28.1
Education	43,246,196	27.5
Healthcare	37,147,125	23.6
Leisure	12,940,499	8.2
Accommodation	8,891,080	5.7
Various UK PFI	5,738,456	3.7
Custodial	3,598,457	2.3
Emergency Services	1,354,293	0.9
Total	157,070,428	100.0

Top Ten Exposures by Project Counterparty

Department of Energy and Climate Change (E.ON Energy Limited)	29,458,761	18.8
Department of Energy and Climate Change (Smartest Energy Limited)	14,695,564	9.4
Slough Borough Council	10,875,439	6.9
The Highland Council	8,363,320	5.3
South London Healthcare NHS Trust	8,259,500	5.3
NHS Greater Glasgow and Clyde	7,922,193	5.0
Leeds City Council	5,131,109	3.3
Hertfordshire County Council	4,829,859	3.1
Amber Valley Borough Council	4,295,105	2.7
Hull Primary Care Trusts	3,683,990	2.3
37 other Project Counterparties with individual exposure < £3.4m	59,555,588	37.9
Total	157,070,428	100.0
South London Healthcare NHS Trust	8,106,615	12
NHS Greater Glasgow and Clyde	7,775,552	12
Hertfordshire County Council	4,534,020	7
Amber Valley Borough Council	4,170,940	6
Hull Primary Care Trusts	3,458,337	5
Leeds City Council	3,367,264	5
Rotherham Metropolitan Borough Council	3,167,803	5
Tees, Esk and Wear Valleys NHS Foundation Trust	3,100,743	5
County Durham Primary Care Trust	3,100,743	5
Mid Essex NHS Trust	3,100,743	5
South Essex Partnership	3,100,743	5
14 other Project Counterparties with exposure < £2.6m	20,190,500	28
Total	67,174,003	100

Top Ten Exposures by Facilities Manager	£	%
A Shade Greener Limited	29,458,761	18.8
Grosvenor Facilities Management	14,695,564	9.4
Pinnacle FM Limited	14,258,169	9.1
GE Medical Systems Limited	13,264,177	8.4
Parsons Brinckerhoff Limited	9,733,517	6.2
EMCOR Facilities Services	8,259,500	5.3
Community Building Services Limited	7,922,193	5.0
DC Leisure Management	5,817,420	3.7
Sewells Facilities Management Limited	4,829,859	3.1
Interserve FM Ltd	4,436,954	2.8
24 other Facilities Managers with individual exposure < £4.3m	44,394,314	28.2
Total	157,070,428	100.0
Total Exposure by Expected Term	£	%
< 10 yrs	14,282,274	9.1
10 - 20 yrs	27,954,582	17.8
20 - 25 yrs	70,289,984	44.7
25 - 30 yrs	44,543,588	28.4
Total	157,070,428	100.0
Total Exposure by Annual Equivalent Running Yield	£	%
9.0% - 9.5%	43,876,746	28.0
9.5% - 10.0%	103,081,157	65.6
10.0% - 10.5%	10,112,525	6.4
Total	157,070,428	100.0

Financial Statistics

For the year ended 30 September 2012

Detailed below is the net asset value ("NAV") of the Company, calculated in accordance with the Company's Prospectus dated 30 June 2010 (the "Prospectus") and C Share prospectus dated 22 November 2011.

A reconciliation of the net asset value per the Consolidated Financial Statements to the calculation in accordance with the Company's Prospectus is detailed in Note 21.

Year end position

	As at 30 September 2012 £	As at 30 September 2011 £
Net assets attributable to Ordinary Shares per month end released		
NAV calculation	121,778,513	44,156,803
Net asset value per Ordinary Share per NAV calculation	1.0095	1.0037
Total return per share per NAV calculation	0.0432	0.0482

Record since the prior accounting year

		Net Asset Value		
Ordinary Shares				
Date	Net Assets £	per Ordinary Share pps	Share Price pps	(Discount)/ Premium %
31 October 2011	44,388,643	100.89	104.00	3.08
30 November 2011	43,262,541	98.33	102.00	3.73
16 December 2011	43,385,377	98.61	103.38	4.84
30 December 2011	47,118,642	98.87	104.13	5.32
31 January 2012	47,335,504	99.33	107.63	8.36
29 February 2012	47,617,995	99.91	105.75	5.85
30 March 2012	48,090,379	100.90	105.63	4.69
30 April 2012	48,378,344	101.51	105.38	3.81
31 May 2012	107,900,544	98.48	104.13	5.74
30 June 2012	119,752,058	99.27	104.50	5.27
31 July 2012	120,369,568	99.78	106.75	6.99
31 August 2012	121,131,181	100.41	106.63	6.19
28 September 2012	121,778,513	100.95	106.63	5.63

		Net Asset Value		
C Shares				
Date	Net Assets £	per C Share pps	Share Price pps	(Discount)/ Premium %
30 December 2011	62,410,458	97.90	102.75	4.95
31 January 2012	62,407,477	97.90	107.13	9.43
29 February 2012	62,458,307	97.98	105.50	7.68
30 March 2012	62,663,614	98.30	104.88	6.69
30 April 2012	62,840,326	98.58	104.88	6.39
Conversion on 8 May 2012	-	-	-	-

Key Performance Indicators

The Company targets dividend payments of 8% per annum (by reference to the IPO issue price). The Directors monitor the actual and forecast dividend yield on a quarterly basis with reference to the above target.

Directors' Report

For the year ended 30 September 2012

The Directors are pleased to present their Annual Report and consolidated financial statements for the year ended 30 September 2012.

These consolidated financial statements consolidate the financial statements of GCP Infrastructure Investments Limited (the "Company") and GCP Infrastructure Fund Limited (the "Master Fund") (together the "Group").

Principal activity and Business review

The Business Review has been prepared by the Directors and should be read in conjunction with the Chairman's Statement and the Investment Adviser's Report which form part of the Annual Report to Shareholders.

Nature and Status

The Company is a public company incorporated on 21 May 2010 in Jersey with registration number 105775. The Company is governed by the provisions of the Companies (Jersey) Law, 1991, as amended (the "Law").

The Company is a closed-ended investment company. The shares of the Company were listed on the London Stock Exchange ("LSE") on 22 July 2010.

Investment Objective and Policy

The Company's investment objectives are to:

- provide its Shareholders with regular, sustained, long-term distributions; and
- preserve the capital value of its investment assets over the long term,

by generating exposure to subordinated PFI debt and related and/or similar assets.

The Company's investment objectives are in line with the investment objectives of the Master Fund..

The Company achieves its investment objectives by investing substantially all of its capital in the Ordinary Redeemable Income shares of the Master Fund.

Structural gearing is permitted at Company level, up to a maximum of 20 per cent. of the Company's Net Asset Value immediately following draw down.

Investment objective and policy of the Master Fund

The Master Fund seeks to provide investors with regular long-term distributions and to preserve the capital value of its investment portfolio.

The Master Fund invests, and will seek to continue to make investments, in subordinated debt instruments issued by infrastructure Project Companies, their owners, or their lenders, and assets with a similar economic effect. The Master Fund may also acquire (or acquire interests in) the senior debt of infrastructure Project Companies, or their owners.

The Master Fund targets an ongoing dividend for holders of Master Fund Income Shares of 8% per annum (by reference to the initial subscription price of the Master Fund Income Shares of £1.00 per share).

Target Assets

The Master Fund makes infrastructure investments, typically through acquiring (or acquiring interests in) subordinated debt instruments issued by infrastructure project companies (or by their existing lenders or holding vehicles) that are contracted by public sector to design, finance, build and operate public infrastructure assets. Such projects are typically structured and financed under the UK Private Finance Initiative ('PFI').

Background information in relation to the PFI industry and the classes of debt investment opportunities relating to the PFI industry that are targeted by the Master Fund are set out in the Investment Adviser's Report.

It is the view of the Directors and the Investment Adviser that, once a public infrastructure asset has been constructed and the contracted cash flows relating to the project have commenced, many of the risks associated with investments in such assets are significantly reduced. Therefore, the Master Fund primarily targets PFI investments after the design and build phases have been completed and the relevant asset is operational.

The position within the capital structure of an infrastructure project company of the subordinated debt instruments in which the Master Fund typically seeks to invest means, in general, any losses suffered by investors in a project company will be suffered first by the equity investors in the project company itself. However, any subordinated debt will rank behind senior debt, so the holders of subordinated debt will typically stand to make a complete loss on their investment before holders of senior debt experience any losses.

The Master Fund focuses primarily on taking debt exposure (typically on a subordinated basis, but with no restriction upon senior positions) to projects which have:

- pre-determined, very long term, public sector-backed revenues;
- no construction or property risks; and
- contracts which are "availability" based (i.e. the payments under the contracts do not depend on the level of use of the project assets).

It is intended that such investments as described above will make up a minimum of 75 per cent. of the Master Fund's total assets.

It should be noted that (in the context of the strategy referred to above) the Master Fund views as "public sector-backed" all revenues arising from UK central government or local authorities, or from entities themselves substantially funded by UK central government or local authorities, and will include obligations of NHS Trusts, UK registered social landlords and universities in this classification.

The Master Fund also considers that assets relating to any completed project which is either an installation accredited by the Gas and Electricity Markets Authority under The Feed-in Tariffs (Specified Maximum Capacity and Functions) Order 2010 (as may be amended or supplemented from time to time), or a recipient of revenues arising from other government-sponsored or administered initiatives for encouraging the usage of renewable or clean energy in the UK fall within scope of the 75% exposure detailed above.

The Master Fund may also consider, in respect of up to an absolute maximum of 25 per cent. of its total assets (at the time the relevant investment is made), taking exposure to projects, which will include projects involving:

- Project companies which have started but not yet completed the construction phases of their concessions;
- Project companies in the regulated utilities sector; and
- Project companies with "demand" based concessions (i.e. where the payments received depend on the level of use of the project assets) or which have private sector-sponsored concessions, 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 the stability of the resulting revenue.

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

Diversification

It is the objective of the Master Fund, within a reasonable timeframe, to generate a diversified portfolio of subordinated debt infrastructure assets and to maintain its portfolio so that not more than 10 per cent. in value of the Master Fund's total assets from time to time consist of securities or loans relating to any one individual infrastructure asset or counterparty (having regard to the risks relating to any cross-default or cross-collateralisation provisions). This objective is subject to the Master Fund having a sufficient level of investment capital from time to time and the ability of the Master Fund to invest its cash in suitable investments.

Gearing

Structural gearing is permitted at Company level, up to a maximum of 20 per cent. of the Company's NAV immediately following draw down.

The Master Fund may use borrowings for investment and short-term purposes as may be necessary for the settlement of transactions, to facilitate share redemptions (where applicable) or to meet ongoing expenses. The Master Fund's borrowings shall not in any event exceed 20 per cent. of the Master Fund's NAV at the time any such borrowings are drawn down.

Financial Position

During the year, the Company has made a series of investments into the Master Fund totalling £77.52 million resulting in a holding of 74.35% of the total voting rights as at 30 September 2012.

The NAV of the Company per Ordinary Share as at the last business day prior to the year end, being 28 September 2012, was 100.95p. The movement in NAV and NAV per Ordinary Share during the year is presented in tabular form in the Financial Statistics section on page 19. The Group's borrowings at 30 September 2012 were nil and cash balances amounted to £9.59 million.

Results for the Period

The results for the period are shown in the Consolidated Statement of Comprehensive Income on page 42.

Future Developments

The Group's investment update is outlined in the Chairman's Statement.

Share Capital

During the period the Company issued 63,744,500 C Shares of £0.01, all of which were converted into Ordinary Shares on 8 May 2012. Details of the movements in share capital during the period are set out in the Consolidated Statement of Changes in Equity.

At 30 September 2012 the Company's issued share capital comprised 120,625,184 Ordinary Shares of £0.01, none of which were held in treasury.

At general meetings of the Company, every holder shall have one vote in respect of every Ordinary Share or C Share held.

Revenue and Dividends

The net revenue for the period, after expenses and taxation amounted to £4.3m. The Company paid a distribution of 3.70 pence per share for the period 1 October 2011 to 31 March 2012. The Master Fund declared a dividend for the six month period from 1 October 2011 to 31 March 2012 of 4.15 pence per share, receivable by the Company on 15 May 2012. The Company declared on 19 November 2012 a dividend of 3.80 pence per Ordinary Share for the six month period from 1 April 2012 to 30 September 2012.

Investment Portfolio

The Group's assets under management at 30 September 2012 were £157.1 million of which the Company has an interest of £116.8 million. A summary of the Group's investment portfolio and exposures is presented on pages 17 to 19.

The tables on pages 17 to 19 show the composition of the investment portfolio at 30 September 2012 by value according to asset type and industry sector.

Valuation Policy

The valuation principles used by Mazars LLP (the "Valuation Agent") are based on a discounted cash flow methodology. A fair value for each asset acquired by the Master Fund is calculated by applying a discount rate (determined by the Valuation Agent) to the cash flow expected to arise from each such asset. Further details on the valuation policy are set out in note 19

Corporate Social Responsibility

The Company has no employees and the Board is comprised entirely of non-executive Directors. As the Company is an investment company, it has no direct impact on the environment however the Board seek to ensure that the Company's operations are conducted responsibly, ethically and fairly.

The Group's investment policy takes ethical, social and environmental factors into consideration prior to the acquisition.

Principal Risks and Uncertainties

The principal financial risks and the Company's policies for managing such risks are set out under note 19 to the Consolidated Financial Statements. The following additional risks and uncertainties which have been identified by the Board are detailed below:

Risks relating to the Company's investment in the Master Fund

- The Company will not be able to participate in the investment decisions of the Master Fund, in which it will invest substantially all of its capital.
- Existing Master Fund Shareholders may redeem their shares in the Master Fund, which may reduce the capital of the Master Fund and could in turn affect the Company's performance.
- The Master Fund and, therefore, the Company, may be exposed to a very limited number of investments.
- The Company may cease to be the majority shareholder of the Master Fund in the future. This would reduce the ability of the Company to influence the affairs of the Master Fund.

Risks relating to the Investment Adviser

- The Investment Adviser is dependent upon the expertise of key personnel in providing investment advisory services to the Company and the Master Fund.
- Failure by the Investment Adviser or other third-party service providers of the Company and/or the Master Fund to carry out its or their obligations could materially disrupt the business of the Company and/or of the Master Fund.

Risks associated with the Master Fund's investments

- There is no guarantee that there will be substantial demand for loans of the type sought to be made by the Master Fund or that any such demand will result in sufficient investments being made in a timely manner, or at all, by the Master Fund to allow it to deliver the targeted returns for its shareholders, including the Company.
- The Investment Adviser's due diligence may not reveal all facts that may be relevant in connection with an investment.
- The Master Fund is exposed to the risk of default by borrowers and other counterparties.
- In some instances, there is an increased risk of default arising from cross-collateralisation of investments made by the Master Fund.
- The value of the loans made and intended to be made by the Master Fund will change from time to time and will impact on the Net Asset Value of the Master Fund.
- Investments made by the Master Fund are not likely to be publicly traded or freely marketable and therefore may be extremely difficult to value or realise.
- The Master Fund will invest exclusively in infrastructure investments and will bear the risk of investing in only one asset class.
- A counterparty in an infrastructure project which the Master Fund has invested may default, resulting in significant difficulties in finding an alternative or replacement counterparty on the same or better terms.
- Borrowers in respect of an infrastructure project that the Master Fund has invested in may default.
- Changes in infrastructure funding policy could lead to public bodies seeking to terminate existing PFI type projects.

Risks that are specific to the C Shares and Ordinary Shares

- The market price of C Shares may fluctuate significantly and potential investors could lose all or part of their investment
- An active and liquid trading market for the C Shares may not develop. Similarly an active and liquid trading market in the Ordinary Shares may not be maintained
- There can be no assurance as to the level and/or payment of any dividends by the Company in relation to the C Shares or Ordinary Shares
- The C Shares and the Ordinary Shares may trade at a discount to their respective net asset value per share

Risks relating to taxation

- The Company and the Master Fund are exposed to changes in tax laws, accounting standards or regulation, or their interpretation.
- The Company and the Master Fund are exposed to changes in their tax residence and changes in the tax treatment of arrangements relating to their respective investments.
- Changes in tax laws or regulation affecting the Master Fund or the unexpected imposition of tax on its investments could adversely affect its performance.

Statement of Directors' Responsibilities

For the year ended 30 September 2012

The Directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable Companies (Jersey) Law 1991 and International Financial Reporting Standards as adopted by the European Union.

International Accounting Standard 1: Presentation of Financial Statements, requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows.

This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board 'Framework for preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRS. However, Directors are also required to:

- properly select suitable accounting policies and apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- ensure that the Chairman's Statement together with the following reports presents a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face;
- make judgements and estimates that are reasonable and prudent;
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements when preparing these Consolidated Financial Statements.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom and Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the Consolidated Financial Statements, taken as a whole, give a true and fair view of assets, liabilities, financial position and performance and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

On behalf of the Board

Mr. David Pirouet
18 December 2012

Consolidated Statement of Financial Position
As at 30 September 2012

		As at 30 September 2012	As at 30 September 2011
Assets	Notes	£	£
Cash and cash equivalents	15	9,591,824	9,220,402
Amounts receivable on subscription of Master Fund Ordinary Shares		148,814	1,074,987
Other receivables and prepayments	11	130,073	107,730
Amounts held on Security Account	16	2,113,145	2,377,807
Financial assets at fair value through profit or loss	19	157,070,428	67,174,003
Total Assets		169,054,284	79,954,929
Liabilities			
Amounts payable on redemption of Master Fund Ordinary Shares		(93,431)	(521,151)
Distribution payable to non controlling interest		-	(681,168)
Other payables and accrued expenses	12	(872,089)	(442,993)
Amounts held on Security Account	16	(2,113,145)	(2,377,807)
Financial liabilities at fair value through profit or loss	19	(44,202,998)	(31,833,570)
Total Liabilities		(47,281,663)	(35,856,689)
Net Assets		121,772,621	44,098,240
Capital and Reserves			
Share Capital	14	1,206,253	439,960
Share Premium	14	121,637,937	43,700,960
Capital Redemption Reserve	14	18,422	-
Retained earnings		(1,089,991)	(42,680)
Total Capital and Reserves		121,772,621	44,098,240

On behalf of the Board of Directors

Mr. David Pirouet
Date: 18 December 2012

Mr Trevor Hunt

Consolidated Statement of Comprehensive Income
For the year ended 30 September 2012

		Year ended 30 September 2012 £	Period ended 30 September 2011 £
	Notes		
Income			
Deposit interest Income		203,186	164,626
Net movement on financial assets and liabilities at fair value through profit or loss	3	<u>9,817,980</u>	<u>5,926,645</u>
		<u>10,021,166</u>	<u>6,091,271</u>
Expense			
Investment Advisory fees	20	(1,150,049)	(358,279)
Custodian fees	20	(40,458)	(22,676)
Administration fees	20	(232,630)	(176,164)
Directors' remuneration	5	(167,289)	(152,917)
Set up costs		(1,334,934)	(827,201)
Other general expenses	4	<u>(1,164,270)</u>	<u>(455,288)</u>
		<u>(4,089,630)</u>	<u>(1,992,525)</u>
Total operating profit before finance costs		<u>5,931,536</u>	<u>4,098,746</u>
Finance costs			
Interest expense	7	(256,650)	-
Distributions to non controlling interest	18	<u>(1,348,622)</u>	<u>(2,250,176)</u>
Profit for the year / period		<u>4,326,264</u>	<u>1,848,570</u>
Other Comprehensive income		-	-
Total Comprehensive income attributable to the Group		<u>4,326,264</u>	<u>1,848,570</u>
Earnings per share (pps)	9	<u>5.7915</u>	<u>4.3991</u>

Consolidated Statement of Changes in Equity
For the year ended 30 September 2012

	Notes	Share Capital £	Share Premium £	Other Capital Reserve £	Retained Earnings £	Total equity attributable to owners of the Company £
Balance as at the beginning of the year		439,960	43,700,960	-	(42,680)	44,098,240
Profit for the year					4,326,264	4,326,264
Other Comprehensive Income				-	-	-
Total Comprehensive income				-	4,326,264	4,326,264
Equity Shares issued	14	766,293	77,936,976	-	-	78,703,269
Transfer to Capital Redemption Reserve	14	-	-	18,422	-	18,422
Distributions	8	-	-	-	(5,373,574)	(5,373,574)
As at 30 September 2012		1,206,253	121,637,936	18,422	(1,089,990)	121,772,621

For the period 21 May 2010 to 30 September 2011

	Notes	Share Capital £	Share Premium £		Retained Earnings £	Total equity attributable to owners of the Company £
Balance as at the beginning of the year		-	-		-	-
Profit for the period		-	-		1,848,570	1,848,570
Other Comprehensive Income		-	-		-	-
Total Comprehensive income		-	-		1,848,570	1,848,570
Equity Shares issued	14	439,960	43,700,960	-		44,140,920
Distributions	8	-	-		(1,891,250)	(1,891,250)
As at 30 September 2011		439,960	43,700,960		(42,680)	44,098,240

Consolidated Statement of Cash Flow
For the year ended 30 September 2012

		Year ended 30 September 2012 £	Period ended 30 September 2011 £
	Notes		
Cash flows from operating activities			
Total operating profit before finance costs		5,931,536	4,098,746
Net movement in financial assets at fair value through profit or loss	3	(3,138,619)	(1,979,147)
Net movement in financial liabilities at fair value through profit or loss	3	1,509,123	(355,569)
Increase in other payables and accrued expenses		359,383	299,573
Increase in trade and other receivables		(22,343)	(96,611)
Net cash flow generated from operating activities		4,639,080	1,966,992
Cash flows from investing activities			
Purchase of financial assets		(86,757,806)	(34,242,796)
Acquisition of subsidiary cash		-	548,582
Net cash flow used in investing activities		(86,757,806)	(33,694,214)
Cash flows used in financing activities			
Proceeds from issue of Ordinary Share capital		783,615	439,960
Ordinary Share Premium received		77,828,226	43,700,960
Proceeds from issue of non redeemable shares in Master Fund		-	100
Distributions paid		(5,263,723)	(1,891,250)
Net payment from / (repayment) to non controlling interest		10,191,286	(545,488)
Distributions paid to non controlling interest		(862,318)	(756,658)
Interest expense		(186,938)	-
Net cash flow generated from financing activities		82,490,148	40,947,624
Net increase in cash and cash equivalents		371,422	9,220,402
Cash and cash equivalents at beginning of the year / period		9,220,402	-
Cash and cash equivalents at end of the year / period	15	9,591,824	9,220,402
Non cash items			
(Decrease) / increase in amounts held on Security Account		(264,662)	2,377,807
Decrease / (increase) in amounts held on Security Account payable		275,720	(2,376,292)
Increase in interest held on Security Account payable		(11,058)	(1,515)
		-	-
Non cash items arising from switching shares			
Issue of share capital and share premium		15,217,344	10,159,112
Redemption of non controlling interests		(15,217,344)	(10,159,112)
		-	-
Net cash generated by operating activities includes:			
Interest received		196,378	164,450

Notes to the Consolidated Financial Statements

1. General Information

GCP Infrastructure Investments Limited (the "Company") is a public company incorporated in Jersey with registration number 105775, on 21 May 2010. The Company is governed by the provisions of the Companies (Jersey) Law, 1991, as amended.

The Company is a closed-ended investment company incorporated under the laws of Jersey. The shares of the Company are listed on the London Stock Exchange.

GCP Infrastructure Fund Limited (the "Master Fund") makes infrastructure investments through acquiring (or acquiring interest in) subordinated debt instruments issued by infrastructure project companies (or by their existing lenders or holding vehicles) that are contracted by the public sector to design, finance, build and operate public infrastructure assets. The Master Fund primarily targets projects structured and financed under the UK PFI.

These financial statements consolidate the financial statements of the Company and its subsidiary, the Master Fund (together the "Group").

2. Significant Accounting Policies

2.1 Basis of preparation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee of the International Accounting Standards Board ("IASB") as they apply to the financial statements of the Group for the year as required by IFRS and as adopted by the European Union.

The Consolidated Statement of Financial Position presents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current assets.

The consolidated financial statements have been prepared under the historical-cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

The financial statements are presented in GBP and all values have been rounded to the nearest pound except where otherwise indicated.

The financial statements, including the comparative figures, have been prepared in accordance with IFRS. However the comparative figures are not fully comparable as they relate to the 14 month period from 21 May 2010, being the date of incorporation of the Company, to 30 September 2011.

These consolidated financial statements consolidate the financial statements of the Company and its subsidiary, the Master Fund, on the basis that it has the power to exercise control over the operations of the Master Fund. All transactions and balances between the Company and the Master Fund have been eliminated on consolidation. The remaining outstanding Ordinary Redeemable Income and Accumulation Shares of the Master

Fund, equate to 25.65% of the total issued Ordinary Redeemable Income and Accumulation share capital of the Master Fund and are represented as financial liabilities at fair value through profit or loss within the Consolidated Statement of Financial Position.

Liabilities arising from the Ordinary Redeemable Income and Accumulation Shares are carried at the redemption amount being the NAV of the Master Fund calculated in accordance with IFRS at the Consolidated Statement of Financial Position date.

Master Fund shareholders have the right to have their shares redeemed at a proportionate share based on the Master Fund's NAV per share on the redemption date. For the purpose of calculating the net assets attributable to shareholders in accordance with the Master Fund's constitution, the Master Fund's valuation for dealing purposes is different from the IFRS valuation requirements. This is due to the treatment of set up costs where under IFRS they are expensed in full. A reconciliation of the valuation calculated in accordance with the prospectus to net assets per the consolidated financial statements is shown in note 21.

The assets attributable to the C Share Class Fund when in existence, are accounted for and managed by the Company as a distinct pool of assets, with the Company ensuring that separate cash accounts are created and maintained. Similarly, C Share cash invested by the Company is managed by the Master Fund as a distinct pool of C Share assets.

Changes to accounting standards and interpretations

The accounting policies adopted are consistent with those of the prior financial year except as follows.

Amendments to the following accounting standards were made effective for this financial year but have no impact on the financial statements:

- **IAS 24** Related Party Disclosures - revised definition of related parties
- **IAS 32** Financial Instruments: Presentation - amendments relating to classification of rights issues
- **IFRS 7** Financial Instruments: Disclosures - amendments enhancing disclosures about transfers of financial assets.
- **IFRIC 14 - IAS 19** - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction - November 2009 Amendments with respect to voluntary prepaid contributions
- **IFRIC 19** Extinguishing Financial Liabilities with Equity Instruments
- Minor amendments to various standards and interpretations resulting from the May 2010 Annual Improvements to IFRS.

The following accounting standards and their amendments were in issue at the year end but will not be in effect until after this financial year. They are not expected to significantly impact the financial statements.

- **IAS 1** Presentation of Financial Statements - amendments to revise the way other comprehensive income is presented (effective for annual years beginning on or after 1 July 2012)
- **IFRS 7** Financial Instruments: Disclosures - amendments enhancing disclosures about offsetting of financial assets and financial liabilities (effective for annual years beginning on or after 1 January 2013 and interim years within those years)
- **IAS 19** Employee Benefits - amended standard (effective for annual years beginning on or after 1 January 2013)
- **IAS 27** Separate Financial Statements (as amended in 2011) - previously IAS 27 Consolidated and Separate Financial Statements (effective for annual years beginning on or after 1 January 2013)
- **IAS 28** Investments in Associates and Joint Ventures (as amended in 2011) - previously IAS 28 Investments in Associates (effective for annual years beginning on or after 1 January 2013)
- **IAS 32** Financial Instruments: Presentation - amendments to application guidance on the offsetting of financial assets and financial liabilities (effective for annual years beginning on or after 1 January 2014)
- **IFRS 7** Financial Instruments: Disclosures - amendments requiring disclosures about the initial application of IFRS 9 (effective for annual years beginning on or after 1 January 2015 or otherwise when IFRS 9 is first applied)
- Minor amendments to various standards and interpretations resulting from Annual Improvements 2009 - 2011 cycle (effective for annual periods beginning on or after 1 January 2013).

2.2 Significant accounting judgments and estimates

The preparation of consolidated financial statements in accordance with IFRS requires the Directors of the Company to make judgements, estimates and assumptions that affect the reported amounts recognised in the consolidated 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. For more details, refer to note 19.

Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements have been prepared on the going concern basis.

2.3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Financial Instruments

(i) Classification

The Group classifies its financial assets and financial liabilities into the categories below in accordance with IAS 39.

Financial assets and liabilities at fair value through profit or loss

This category consists of financial instruments designated at fair value through profit or loss upon initial recognition. These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis, in accordance with the risk management and investment strategies of the Company, as set out in the Prospectus dated 2 July 2010 and the C Share Prospectus dated 22 November 2011. The financial information about the financial assets of the Group are provided by the Investment Adviser to the Directors of the Master Fund with the valuation model being supplied by the Valuation Agent.

In accordance with IAS 32 (Financial Instruments: Presentation) the Company's C Share Class Fund when in existence, is designated as a financial liability on the Consolidated Statement of Financial Position, due to the obligation to convert the C Shares to Ordinary Shares and the inherent variability in the number of Ordinary Shares attributable to C shareholders on conversion.

Ordinary Redeemable Income and Accumulation Shares of the Master Fund owned by non-controlling interests, equate to 25.65% of the total issued share capital of the Master Fund and are represented as financial liabilities at fair value through profit or loss within the Consolidated Statement of Financial Position. Liabilities arising from the Master Fund Shares are carried at the redemption amount being the Master Fund NAV calculated in

accordance with IFRS.

(ii) Recognition

The Group recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

(iii) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group transfers its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

The Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

(iv) Initial measurement

Financial assets and financial liabilities at fair value through profit or loss are recorded in the Consolidated Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in the Consolidated Statement of Comprehensive Income.

(v) Subsequent measurement

After initial measurement, the Group measures financial instruments which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in the Consolidated Statement of Comprehensive Income.

The Group's existing financial liabilities at fair value through profit or loss are carried at fair value, being the value on the Master Fund's Statement of Financial Position date of all non controlling interest shares, less set up costs amortised at Master Fund level as a result of the requirement to expense the cost in full for IFRS purposes.

(b) Basis of consolidation

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies. All intragroup balances, transactions, unrealised gains and losses resulting from intra-group transactions and distributions are eliminated in full.

(c) Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non controlling interest in the acquiree.

For each business combination, the acquirer measures the non controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

(d) Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include using recent arm's length market transactions, referenced to appropriate current market data, and discounted cash flow analysis, at all times making as much use of available and supportable market data as possible.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in Note 19.

(e) Functional and presentation currency

The primary objective of the Group is to generate returns in Sterling, its capital-raising currency. The Group's performance is evaluated in Sterling. Therefore, the Directors consider Sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and have therefore adopted it as the presentation currency.

(f) Dividends paid to shareholders

In accordance with the Company's constitution, in respect of the Ordinary Shares and C Shares when in issue, the Company will distribute the income it receives to the fullest extent that is deemed appropriate by the Directors.

(g) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flow comprise cash on hand, demand deposits, short term deposits in banks with original maturities of three months or less and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Interest revenue and expense

Interest revenue and interest expense other than interest received on financial assets at fair value through profit or loss are recognised on an accruals basis in the Consolidated Statement of Comprehensive Income.

(i) Net gain or loss on financial assets and liabilities at fair value through profit or loss

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as 'held at fair value through profit or loss' and interest receivable on financial assets and liabilities.

Arrangement fee income comprises reimbursement of fees relating to the issue and setup of Loan notes by the respective project companies. The income and related expense is recognised in the Consolidated Statement of Comprehensive Income.

Loan interest comprises interest receipts in relation to the Market Funds debt instruments. Interest is recognised when received. Prior to receipt, accrued interest is included within the value of these investments.

(j) Fees and commissions

Fees and commissions in the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position are recognised on an accruals basis.

(k) Finance Costs

Finance costs in the Consolidated Statement of Comprehensive Income comprise of loan arrangement and commitment fees which are expensed in the year they occur and interest accrued on the credit facility incurred in connection with the borrowing of funds by the Master Fund.

(l) Distributions to non controlling interests

Distributions are recognised in the Consolidated Statement of Comprehensive Income in the year they fall due and are in relation to distributions payable by the Master Fund to the non controlling interests (classified as financial liabilities at fair value through profit or loss). This is in accordance with the Master Fund's constitution and the Master Fund will distribute the income it receives to the fullest extent that is deemed appropriate. These distributions are paid in May and November.

(m) Distributions to non controlling interests

Distributions are recognised in the Consolidated Statement of Comprehensive Income in the year they fall due and are in relation to distributions payable by the Master Fund to the non controlling interests (classified as financial liabilities at fair value through profit or loss). This is in accordance with the Master Fund's constitution and the Master Fund will distribute the income it receives to the fullest extent that is deemed appropriate. These distributions are paid in May and November.

(n) Share Capital

The share capital of the Company comprises of Ordinary Shares and C Shares when in issue. The Ordinary Shares are classified as an equity instrument due to the following features:

- They entitle the holder to a pro rata share of the Ordinary Share Class net assets in the event of the Fund's liquidation;
- The Ordinary Shares do not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Ordinary Share Class net assets; and
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Ordinary Share Class over the life of the instrument.

The C Shares when in issue are classified as a liability instrument due to the following features:

- They entitle the holder to a pro rata share of the C Share Class net assets in the event of the Fund's liquidation;
- The C Shares include a contractual obligation to deliver a variable number of financial assets in the form of Ordinary Shares to the C shareholders upon conversion; and
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the C Share Class over the limited life of the instrument. In addition to the Ordinary Shares and C Shares having all the above features, the Company must have no other financial instrument or contract that has:
 - Total cash flows based substantially on the profit or loss, the change in the recognised net assets and unrecognised net assets of the Company; and
 - The effect of substantially restricting or fixing the residual return to the Ordinary shareholders.

The Directors of the Company continually assess the classification of the Ordinary Shares and C Shares. If the Ordinary Shares cease to have all the features or meet all the conditions set out to be classified as equity, they will be reclassified as financial liabilities and measured at fair value at the date of reclassification with any differences from the previous carrying amount recognised in equity. If the C Shares subsequently have all the features and meet the conditions as equity, they will be reclassified as equity instruments and measured at the carrying amount of the liabilities at the date of reclassification.

The issuance, acquisition and resale of Ordinary Shares are accounted for as equity transactions and the issuance and acquisition of C Shares as liability transactions.

Upon issuance of shares, the consideration on the Ordinary Shares received is included in equity and the consideration on the C Shares is included in financial liabilities. Transaction costs incurred by the Company in issuing, acquiring or reselling its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Own equity instruments which are acquired are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in the Consolidated Statement of Comprehensive Income on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3. Segment Information

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

Operating Income

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

	Year ended 30 September 2012 £	Period ended 30 September 2011 £
Channel Islands	203,186	164,626
United Kingdom	9,817,980	5,926,645
Total	10,021,166	6,091,271

The table below analyses the Group's operating income for the year per investment type.

	Year ended 30 September 2012 £	Period ended 30 September 2011 £
Cash and cash equivalents	203,186	164,626
Financial assets and liabilities at fair value through profit or loss	9,817,980	5,926,645
Total	10,021,166	6,091,271

The table below analyses the Group's financial assets and liabilities at fair value through profit or loss.

	Year ended 30 September 2012 £	Period ended 30 September 2011 £
Arrangement fee income	830,305	175,000
Fixed interest income	7,358,179	3,416,929
Net movement in financial assets at fair value through profit or loss	3,138,619	1,979,147
Net movement in financial liabilities at fair value through profit or loss	(1,509,123)	355,569
Total	9,817,980	5,926,645

4. Other general expenses

	Year ended 30 September 2012 £	Period ended 30 September 2011 £
Audit fees	36,849	63,588
Brokers fees	-	51,762
Director's insurance	10,928	13,623
Financial advisory fees	201,460	71,671
General insurance fees	14,807	20,923
Legal & professional fees - investment acquisitions	537,315	33,508
Legal & professional fees - other	131,605	49,045
Membership fees	4,391	-
Other expenses	20,685	1,463
Printing fees	11,590	14,306
Public relations fees	39,319	43,348
Receiving agents fees	(11,945)	11,945
Registrar's fees	28,394	21,936
Stock exchange fees	24,421	8,439
Valuation agents fees	114,451	49,731
Total	1,164,270	455,288

5. Directors remuneration

The Directors of the Company and Master Fund are remunerated on the following basis.

	Year ended 30 September 2012 £	Period ended 30 September 2011 £
Mr Ian Reeves CBE	37,356	40,992
Mr David Pirouet	29,856	27,329
Mr Trevor Hunt	27,356	27,329
Master Fund Directors' fees	69,109	49,759
Directors' expenses	2,065	5,995
Master Fund Directors' expenses	1,547	1,513
Total	167,289	152,917

6. Taxation

Profits arising in the Group for the year from 1 October 2011 to 30 September 2012 will be subject to tax at the rate of 0% (30 September 2011: 0%).

7. Finance Costs

	Year ended 30 September 2012 £	Period ended 30 September 2011 £
Loan arrangement fees	92,951	-
Loan commitment fees	46,762	-
Loan interest expense	116,937	-
Total	256,650	-

The above fees and interest expense are incurred on the Master Fund's short term revolving credit facility the 'RBSI facility' details of which are given in note 13.

8. Dividends

Total dividends per share at Company level for the year ended 30 September 2012 totalled 6.70pence per share (30 September 2011: 4.45 pence per share) as follows:

	Pence	£
For the year ended 30 September 2012		
For the period from 1 April 2011 to 30 September 2011	3.00	1,319,880
For the period from 1 October 2011 to 30 March 2012	3.70	4,053,694
Total	6.70	5,373,574

	Pence	£
For the period 21 May 2010 to 30 September 2011		
For the period from 21 May 2010 to 30 September 2010	2.15	913,750
For the year from 1 October 2010 to 30 March 2011	2.30	977,500
Total	4.45	1,891,250

9. Earnings per share

Basic (and diluted) earnings per share amounts are calculated by dividing profit for the year attributable to Ordinary equity holders of the Company by the weighted average number of Ordinary Shares outstanding during the year.

	Profit £	Weighted average number of shares	30 September 2012 pence per share
Earnings per Ordinary Share (basic and diluted)	4,326,264	74,699,830	5.7915

	Profit £	Weighted average number of shares	30 September 2011 pence per share
Earnings per Ordinary Share (basic and diluted)	1,848,570	42,021,766	4.3991

The 30 September 2012 weighted average number of shares have been calculated by dividing the total shares in issue by the total days in the year, multiplied by the number of days they were in issue:

	Shares in issue	Days	Weighted
As at 30 September 2011	43,996,000	82	9,857,027
As at 22 December 2011	47,675,012	138	17,969,037
As at 08 May 2012	109,559,295	41	12,273,036
As at 18 June 2012	119,947,268	1	327,725
As at 19 June 2012	120,515,223	10	3,292,766
As at 30 September 2012	120,625,184	94	30,980,239
Total at 30 September 2012		366	74,699,830

The 30 September 2011 weighted average number of shares have been calculated by dividing the total shares in issue by the total days in the period, multiplied by the number of days they were in issue:

	Shares in issue	Days	Weighted
Issued on upon the Company's admission to the London Stock Exchange (LSE)	40,000,000	88	7,068,273
As at 17 August 2010	41,000,000	52	4,281,124

As at 8 October 2010	42,500,000	318	27,138,554
As at 22 August 2011	43,996,000	40	3,533,815
Total at 30 September 2011		498	42,021,766

Post year end, and as detailed in note 22, as part of successful fund raising 132,300,000 C Shares were issued on 17 October 2012. These are convertible to Ordinary Shares within a 6 month period.

10. Business combinations

The consolidated financial statements comprise the financial statements of the Company and its subsidiary, the Master Fund, for the year ended 30 September 2012.

The subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtained control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiary are prepared for the same reporting year as the parent company, using consistent accounting policies. All intragroup balances, transactions, unrealised gains and losses resulting from intra-group transactions and distributions are eliminated in full.

The Company invests in the Master Fund and in accordance with the Company's investment objective, the investment in the Master Fund will aim to provide its shareholders with regular sustained long term distributions. The Company will achieve its investment objective by investing substantially all of its capital in the Ordinary Redeemable Income Shares and C Shares of the Master Fund, which in turn will generate income from subordinated PFI debt and/or similar assets.

Acquisition of additional holdings in the subsidiary (the 'Master Fund')

On 1 October 2011, the Company held 41,897,762 Master Fund Ordinary Redeemable Income Shares at a fair value of £42,337,689 representing 58.01% of the issued share capital of the Master Fund, with a non controlling interest share of 41.99% of the issued share capital of the Master Fund.

On 22 December 2011 the Company bought 62,307,530 Master Fund C Shares (representing 100%) at a fair value of £62,307,530. On the same date the Company bought 3,521,732 Master Fund Ordinary Redeemable Income Shares at a fair value of £3,610,128.

On 4 May 2012, in accordance with the terms of the Master Fund's Information Memorandum Supplement, all the Master Funds' C Shares were converted into new Ordinary Income Shares. The Conversion Ratio for conversion of the C Shares was 0.9531. As a result, the C Shares of the Master Fund were cancelled and 59,385,306 Ordinary Income Shares along with 2,922,224 Deferred Shares were issued.

Following conversion of the C Shares the Company held 104,804,800 Master Fund Ordinary Income Shares at a fair value of £107,212,796 representing 77.01% of the issued share capital of the Master Fund, with a non controlling interest share of 22.99% of the issued share capital of the Master Fund.

On 31 May 2012, the Company bought an additional 342,164 Ordinary Income Shares at a fair value of £350,000, at this point the Company owned 76.81% of the issued share capital of the Master Fund, with a non controlling interest share of 23.19% of the issued share capital of the Master Fund.

On 20 June 2012, following fundraising by way of a tap issue, the Company invested £11.3 million in the Master Fund for an additional 10,961,262 Ordinary Income Shares at a fair value of £11,257,216, at this point the Company owned 78.28% of the issued share capital of the Master Fund, with a non controlling interest share of 21.72% of the issued share capital of the Master Fund.

Since 20 June 2012, the effective proportionate non controlling interest holdings of the Master Fund shares has decreased. As at 30 September 2012, the Company owned 74.35% of the issued share capital of the Master Fund, with a non controlling interest share of 25.65% of the issued share capital of the Master Fund.

Transactions with owners have not resulted in any material fair value gains or losses, therefore no further disclosure has been made.

11. Other receivables and prepayments

	30 September 2012 £	30 September 2011 £
Arrangement fee income	12,150	-
Directors insurance fees	9,719	6,897
Financial advisory fees	18,324	18,329
FSA fees	2,440	1,995
General insurance fees	9,950	10,681
Interest receivable	6,984	176
Legal & professional fees	65,130	65,130
Other expenses	108	-
Permit fees	2,018	1,496
Stock Exchange listing fees	3,250	3,026
Total	130,073	107,730

12. Other payables and accrued expenses

	30 September 2012 £	30 September 2011 £
Administration fees	23,752	25,890
Audit fees	36,391	48,790
Custody fees	4,080	6,921
Directors' fees	42,993	28,356
Investment advisory fees	656,316	274,495
Loan commitment fees	46,762	-
Loan arrangement fees	22,951	-
Other expenses	9,940	3,538
Printing fees	5000	11,800
Receiving agents fees	-	11,945
Registrars fees	4,541	3,125
Set up costs	-	11,502
Valuation agents fees	19,363	16,631
Total	872,089	442,993

13. Interest bearing loans and borrowings

On 11 November 2011, the Master Fund entered into an unsecured revolving credit facility (the "RBSI Facility") with Royal Bank of Scotland International Limited ("RBSI"). The RBSI Facility is a revolving credit facility of £7 million (the "Facility Amount") and can be used to finance investments by the Master Fund. It has a one month revolving period and a two year term. As at 30 September 2012 the RBSI facility is undrawn. The rate of interest payable on the Facility Amount by the Master Fund is 300 basis points per annum plus LIBOR. Also, the Master Fund pays a commitment fee of 1.5% per annum on the undrawn balance of the Facility Amount and an arrangement fee of 1.5% of the Facility Amount with 1.0% paid by the Master Fund in March 2012 and the remaining 0.5% to be paid on the first anniversary of the date on which the RBSI Facility was entered into.

14. Authorised and issued share capital

Share Capital	Number of shares	30 September 2012 £
Authorised Shares		
Ordinary Shares of £0.01 each	300,000,000	3,000,000
C Shares of £0.01 each	100,000,000	1,000,000
Deferred Shares of £0.01 each	100,000,000	1,000,000
At 30 September 2012	500,000,000	5,000,000
Ordinary Shares issued and fully paid		
Ordinary Shares of £0.01 each		
At 1 October 2011	43,996,000	439,960
Issued on 22 December 2011	3,661,012	36,610
Issued on 8 May 2012	61,902,283	619,023
Issued on 18 June 2012	10,387,983	103,880
Issued on 19 June 2012	567,955	5,680
Scrip shares issued on 29 June 2012	109,961	1,100
At 30 September 2012	120,625,184	1,206,253
C Shares issued and fully paid		
Issued on 22 December 2011 and fully paid on admission to the London Stock exchange (LSE)	63,744,500	637,445
Conversion of C Shares on 8 May 2012	(63,744,500)	(637,445)
At 30 September 2012	-	-
Deferred Shares issued		
Issued on conversion of C Shares on 8 May 2012	1,842,217	18,422
Cancelled on 13 August 2012	(1,842,217)	(18,422)
At 30 September 2012	-	-

The cancellation of Deferred Shares on 13 August 2012 resulted in a transfer of £18,422 to the Capital Redemption Reserve.

Share Premium	30 September 2012 £
Ordinary Shares	
At 1 October 2011	43,700,960
Issued on 22 December 2011	3,573,514
Issued on 8 May 2012	63,107,055
Issued on 18 June 2012	10,569,763
Issued on 19 June 2012	577,894
Scrip shares issued on 29 June 2012	108,750
At 30 September 2012	121,637,936
C Shares	
Issued on 22 December 2011 on admission to the LSE	63,107,055
Conversion of C Shares on 8 May 2012	(63,107,055)
At 30 September 2012	-

As at the start of the year, the authorised share capital of the Company was £2,000,000 consisting of 200,000,000 Ordinary Shares of £0.01 each.

On 11 November 2011, the authorised share capital of the Company was increased to £5,000,000 as follows:

- 300,000,000 Ordinary Shares of £0.01 each;
- 100,000,000 C Shares of £0.01 each; and
- 100,000,000 Deferred Shares of £0.01 each.

On 22 December 2011, the Company announced the successful admission of 63,744,500 C Shares to trading on the Official List and to trading on the LSE's main market for listed securities following the fundraising of £63.7 million through the placing, the offer for subscription and the arrangements for switching between the Master Fund and the Company. 3,661,012 Ordinary Shares were subsequently blocklisted and added to the Official List of the UK Listing Authority.

On 8 May 2012, in accordance with the terms of the Company's C Share Prospectus, the C Shares were converted into new Ordinary Shares. The Conversion Ratio for conversion of the C Shares was 0.9711. As a result, 61,902,283 Ordinary Shares and 1,842,217 Deferred Shares were issued and all the C Shares cancelled.

On 18 June 2012, the Company announced successful admission of 10,955,928 new Ordinary Shares to the Official List and to trading on the LSE's main market for listed securities following the fundraising of £11.3 million by way of a tap issue.

On 29 June 2012, the Company announced successful admission of 109,961 new Ordinary Shares to the Official List and to trading on the LSE's main market for listed securities following the offer of scrip dividend alternative in lieu of cash for the interim dividend for the period from 1 October 2011 to 31 March 2012.

As at 30 September 2012, the Company's issued share capital comprised 120,625,184 Ordinary Shares, none of which were held in treasury.

The Company's share capital is represented by Ordinary Shares, along with C Shares and Deferred Shares when in issue. Quantative information about the Company's capital is provided in the Consolidated Statement of Changes in Equity.

The Ordinary Shares and C Shares when in issue carry the rights to assets attributable to their respective Share Class and do not carry the rights to assets attributable to the Group as a whole.

The Ordinary Shares and C 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 or C Share is entitled to attend meetings of shareholders and, on a poll, to one vote for each share held.

The Deferred Shares do not carry the right to dividends out of the profits available for distribution or assets attributable to the Group and are in existence for C Share conversion purposes only. As at 30 September 2012 there are no Deferred Shares in issue.

Capital Management

The Company's share capital is represented by the issued Ordinary Shares. The investment objective of the Company is outlined in the Investment Adviser's Report. The Company's investment objectives are in line with the investment objectives of the Master Fund. The Company achieves its investment objectives by investing substantially all of its capital in Ordinary Redeemable Shares of the Master Fund. As at 30 September 2012 Company capital and reserves amounted to £121.77 million (30 September 2011: £44.10 million).

As a result of the ability to issue, repurchase and resell shares, the capital of the Group can vary depending on the demand for redemptions and subscriptions. The Group is not subject to externally imposed capital requirements and has no restrictions on the issue, repurchase or resale of Ordinary shares, however it does have the ability to impose a temporary dealing policy.

The Group's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its prospectus and C Share prospectus;
- To achieve consistent returns while safeguarding capital;
- To maintain sufficient liquidity to meet expenses and to meet redemption requests as they arise; and
- To maintain sufficient size to make the operation of the Group cost-efficient.

15. Cash and Cash Equivalents

	30 September 2012 £	30 September 2011 £
Cash and cash equivalents	189,444	407,098
Master Fund cash and cash equivalents	9,402,380	8,813,304
Total	9,591,824	9,220,402

16. Amounts held on Security Account

	30 September 2012 £	30 September 2011 £
Amounts held on Security Account payable	2,100,572	2,376,292
Interest payable on Security Account	12,573	1,515
Total	2,113,145	2,377,807

'Amounts held on Security Account' relates to a cash deposit of £2,113,145 (September 2011: £2,377,807) belonging to GPFI Holdings Limited. The cash is held in a segregated Master Fund account (the "Security Account"). The Master Fund is holding the cash as collateral to protect the Master Fund against underperformance of the GPFI Loans.

In the event that the GPFI Loans perform as expected the funds within the Security Account will be released over time, but will remain above £1,000,000 for as long as the Company owns the GPFI loans.

The amount is held as an asset and a liability on the face of the Consolidated Statement of Financial Position.

17. Group Contingent Liabilities

At 30 September 2012 there were no contingent liabilities (30 September 2011: nil)

18. Distributions to non controlling interest

The distributions paid during the year to the non controlling interest of the Group comprise of the following:

	Year ended 30 September 2012 £	Period ended 30 September 2011 £
Distributions in respect of non controlling interest		
Ordinary Income Shares	862,318	1,437,826
Distributions in respect of non controlling interest		
Ordinary Accumulation Shares	486,304	812,350
Total	1,348,622	2,250,176

19. Financial Risk, Management Objectives and Policies

The Company has an investment policy and strategy as summarised in its Prospectus dated 2 July 2010 and C Share prospectus dated 18 September 2012 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 Directors fully adopt all audit responsibility as set out in the prospectus.

The Investment Adviser and the Directors ensure that all investment activity is performed in accordance with investment guidelines. The Group'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 Group's activities however, it is managed through a process of ongoing identification, measurement and monitoring. The financial risks to which the Group is exposed include market risk, credit risk and liquidity risk.

Fair Value

The Group's existing financial assets are designated as financial assets at fair value through profit or loss. These financial instruments are held at fair value.

The table below summarises the movement on the Investments during the year:

	Year ended 30 September 2012	Period ended 30 September 2011
	£	£
Bookcost at 1 October 2011	65,194,856	-
Financial assets at fair value through profit or loss acquired on investment into the Master Fund	-	30,952,060
Acquisitions	86,757,806	34,242,796
Bookcost at 30 September 2012	151,952,662	65,194,856
Unrealised gains	5,117,766	1,979,147
Valuation at 30 September 2012	157,070,428	67,174,003
Net movement on financial assets at fair value through profit or loss	3,138,619	1,979,147

The Group's existing financial liabilities at fair value through profit or loss are carried at fair value, being net asset value of the non controlling interest portion of the Master Fund at 30 September 2012 less set up costs amortised at Master Fund level as a result of the requirement to expense the cost in full for IFRS purposes.

The Valuation Agent carries out monthly fair valuations of the financial assets of the Master Fund. These valuations are reviewed by both the Investment Adviser and the Directors of the Master Fund. The valuation methodology is outlined in the Prospectus dated 2 July 2010 and C Share prospectus dated 18 September 2012 and in the section below entitled 'Fair Valuation Methodology of Financial assets at fair value through profit or loss'.

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

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

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 table below summarises all securities held by the Group based on the fair valuation technique adopted

As at 30 September 2012				
	Level 1	Level 2	Level 3	TOTAL
Financial assets at fair value through profit or loss	£	£	£	£
Subordinated loan notes	-	157,070,428	-	157,070,428
	<u>-</u>	<u>157,070,428</u>	<u>-</u>	<u>157,070,428</u>
Financial liabilities at fair value through profit or loss	£	£	£	£
Non controlling interest	-	44,202,998	-	44,202,998
	<u>-</u>	<u>44,202,998</u>	<u>-</u>	<u>44,202,998</u>
As at 30 September 2011				
	Level 1	Level 2	Level 3	TOTAL
Financial assets at fair value through profit or loss	£	£	£	£
Subordinated loan notes	-	67,174,003	-	67,174,003
	<u>-</u>	<u>67,174,003</u>	<u>-</u>	<u>67,174,003</u>
Financial assets at fair value through profit or loss	£	£	£	£
Non controlling interest	-	31,833,570	-	31,833,570

-	31,833,570	-	31,833,570
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During the year there were no transfers of investments between levels therefore no further disclosure is considered necessary by the Board of Directors. No level 3 reconciliation has been disclosed as there have been no assets classified or transferred requiring reconciliation to the level 3 hierarchy.

The Valuation Agent has been appointed by the Directors to carry out the fair market valuation of the Group's investments (classified as financial assets at fair value through profit or loss) on a monthly basis. These valuations are reviewed by both the Investment Adviser and the Directors.

Fair Valuation Methodology of Financial assets at fair value through profit or loss

The valuation principles used are based on a discounted cash flow methodology. A fair value for each asset acquired by the Group is calculated by applying what the Valuation Agent believes at the relevant time to be a market discount rate to the contractual cash flow expected to arise from each such asset.

The Valuation Agent believes that a discount rate driven solely by publicly available electronic feeds is not possible or appropriate when valuing the investments of the Group due to the lack of publicly disclosed financial information relating to UK infrastructure transactions and the fact that it is often in the detail of each individual infrastructure project that the value or areas of concern are to be found.

The Valuation Agent therefore exercises its judgement in assessing the discount rate used for valuing each investment taking, inter alia, the following into account:

- Sterling interest rates;
- movements of comparable credit markets;
- the performance of the underlying assets, specifically any actual or potential event in relation to the underlying assets that may be expected to have a material impact on the ability of the borrower to meet its obligations to the Group, such as operating performance failures, or the credit impairment of the contract obligor;
- general infrastructure market activity and investor sentiment which the Valuation Agent assesses by taking into account its knowledge of the infrastructure market gained from discussions with all forms of market participants and from publicly available information on relevant transactions and publicly traded infrastructure funds; 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 Master Fund will typically be fixed income debt instruments (with elements of inflation protection) the focus of the Valuation Agent is on assessing the likelihood of any interruptions to the debt service payments given the operational performance of the underlying asset.

The Master Fund Directors review the valuation model used by the Valuation Agent to ensure it performs in line with the agreed valuation methodology, and to ensure the suitability and relevance of comparators and benchmarks. The valuation model is also reviewed having due regard for the requirements of accounting standards.

Monthly valuations carried out by the Valuation Agent are reviewed by the Master Fund Directors and the Investment Adviser, with any movements tracked and justified by the Valuation Agent.

On a quarterly basis the Investment Adviser produces a report that details the performance of each investment, and includes an analysis of the exposures of the Master Fund by infrastructure sector, facilities manager, project counterparty and borrower. A separate review is carried out by the Investment Adviser on an annual basis of all facilities managers active in the infrastructure sector.

In addition to the above, at least annually, the Master Fund Directors and the Investment Adviser assess whether the valuation methodologies remain appropriate. During the year the Master Fund Directors have met with both the Valuation Agent and the Master Fund's technical adviser, EC Harris, to appraise the valuation methodology, the key risks and due diligence process relating to transactions supported by Feed-in Tariff payments in light of the fact that this is a sector the Master Fund is investing in for the first time.

For every new investment entered into by the Master Fund, the Master Fund Directors receive third party due diligence reports from the Valuation Agent and legal and financial advisers as a key part of the deal approval process.

The table below shows how changes in discount rate affect the changes in the valuation of financial assets at fair value:

30 September 2012

Change in discount rate	0.50%	0.25%	0	(0.25%)	(0.50%)
Valuation of financial assets at fair value	151,338,372	154,156,589	157,070,428	160,084,096	163,202,005
Change in valuation of financial assets at fair value	(5,732,056)	(2,913,839)	-	3,013,665	6,131,577

30 September 2011

Change in discount rate	0.50%	0.25%	0	(0.25%)	(0.50%)
Valuation of financial assets at fair value	64,589,212	65,858,388	67,174,003	68,538,312	69,953,692
Change in valuation of financial assets at fair value	(2,584,791)	(1,315,615)	-	1,364,309	2,779,689

The Group recognises the non controlling interest as financial liabilities at fair value through profit or loss. The values are recognised as the net asset value prices of the Ordinary Income and Accumulation Class Fund.

For all other financial assets and liabilities, the carrying amounts are approximate to their respective fair value.

Currency Risk

The Group would engage in currency hedging only with a view to protecting the level of sterling dividends and other distributions to be paid by the Group in relation to the Ordinary Shares. It is not currently the intention of the Group to invest in non-sterling denominated assets, or raise non-

sterling denominated liabilities, and such currency hedging is therefore not currently envisaged.

Interest Rate Risk

Interest rate risk arises from the effects of fluctuations in the prevailing level of market interest rates on the fair value of financial assets and liabilities, future cash flows and borrowings.

Interest rate risk has the following effect:

Fair value of financial assets and liabilities

Interest rates are one of the factors which the Valuation Agent takes into account when valuing the financial assets. Sensitivity analysis on the discount rate used in the valuations, which will be impacted by the interest rate, is included on the previous page.

Future cash flows

The Group primarily invests in subordinated loans of infrastructure project companies. The Group's current 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 Group.

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

The Group 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 senior debt has been hedged where appropriate.

Borrowings

During the year the Master Fund made use of a revolving short term credit facility with RBSI which was used to finance future investments by the Master Fund, details of which are given in note 13. As at 30 September 2012 the RBSI facility is currently undrawn.

The Master Fund's borrowings shall not in any event exceed 20 per cent of the Master Fund's net asset value as at the time any such borrowings are drawn down. The Company's borrowing shall not in any event exceed 20 per cent of the Company's net asset value as at the time any such borrowings are drawn down.

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

Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty is not an exchange-clearing house. The role and position within an infrastructure project structure of the Group's direct counterparty will vary from deal to deal. However, in most cases it is the credit position of the project company and its group companies that is of ultimate importance.

The Investment Adviser uses detailed cash flow forecasts to assess the credit-worthiness of project companies and their ability to pay all costs as they fall due. After an investment is made, the forecasts are regularly updated with information provided by the project companies in order to monitor ongoing financial performance.

The project companies will 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 on an ongoing basis, and year end exposures are reported to the Directors of the Master Fund quarterly.

All the current financial assets of the Master Fund are unrated debt instruments issued by Infrastructure Intermediaries No. 1 Limited, Infrastructure Intermediaries No. 2 Limited, Infrastructure Intermediaries No. 3 Limited, Infrastructure Intermediaries No. 4 Limited, Infrastructure Intermediaries No. 5 Limited, Cardale Infrastructure Investments Limited, Education PFI Investments Limited, White Rock Insurance (SAC) Ltd, T-26 GEM Infrastructure Limited, Grosvenor PFI Holdings Limited, Leisure Infrastructure Investors Limited, Civic PFI Investments Limited and Kirklees PFI Limited who manage the affairs of the portfolios.

Sensitivity analysis has not been provided for currency risk nor credit risk as management believes these risks are negligible.

Total Exposure by Sector	£	%
Feed-in tariff	44,154,322	28.1
Education	43,246,196	27.5
Healthcare	37,147,125	23.6
Leisure	12,940,499	8.2
Accommodation	8,891,080	5.7
Various UK PFI	5,738,456	3.7
Custodial	3,598,457	2.3
Emergency Services	1,354,293	0.9
Total	157,070,428	100.0

Top Ten Exposures by Investment Type	£	%
Senior Loan Guarantees	28,087,200	17.9
Subordinated Loans	84,828,903	54.0
Senior Loans	44,154,325	28.1
Total	157,070,428	100.0

Top Ten Exposures by Project Counterparty	£	%
Department of Energy and Climate Change (E.ON Energy Limited)	29,458,761	18.8
Department of Energy and Climate Change (Smartest Energy Limited)	14,695,564	9.4
Slough Borough Council	10,875,439	6.9
The Highland Council	8,363,320	5.3
South London Healthcare NHS Trust	8,259,500	5.3
NHS Greater Glasgow and Clyde	7,922,193	5.0
Leeds City Council	5,131,109	3.3
Hertfordshire County Council	4,829,859	3.1
Amber Valley Borough Council	4,295,105	2.7
Hull Primary Care Trusts	3,683,990	2.3

37 other Project Counterparties with individual exposure < £3.4m	59,555,588	37.9
Total	157,070,428	100.0

Top Ten Exposures by Facilities Manager

	£	%
A Shade Greener Limited	29,458,761	18.8
Smarter Energy Solutions	14,695,564	9.4
Grosvenor Facilities Management	14,258,169	9.1
Pinnacle FM Limited	13,264,177	8.4
Mitie PFI Limited	9,733,517	6.2
GE Medical Systems Limited	8,259,500	5.3
Parsons Brinckerhoff Limited	7,922,193	5.0
EMCOR Facilities Services	5,817,420	3.7
Community Building Services Limited	4,829,859	3.1
Interserve FM Ltd	4,436,954	2.8
24 other Facilities Managers with individual exposure < £4.3m	44,394,314	28.2
Total	157,070,428	100.0

Total Exposure by Expected Term

	£	%
< 10 yrs	14,282,274	9.1
10 - 20 yrs	27,954,582	17.8
20 - 25 yrs	70,289,984	44.7
25 - 30 yrs	44,543,588	28.4
Total	157,070,428	100.0

Total Exposure by Annual Equivalent Running Yield

	£	%
9.0% - 9.5%	43,876,746	28.0
9.5% - 10.0%	103,081,157	65.6
10.0% - 10.5%	10,112,525	6.4
Total	157,070,428	100.0

Liquidity Risk

Liquidity risk is defined as the risk that the Group 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 Group could be required to pay its liabilities or redeem its shares earlier than expected.

The Group is exposed to cash redemptions of shares of the Master Fund, on a regular basis. Shares of the Master Fund are redeemable at the holder's option based on the Fund's net asset value per share at the time of redemption, calculated in accordance with the Master Fund's constitution.

The Master Fund manages its obligation to repurchase the shares when required to do so and its overall liquidity risk by requiring a four week notice period before redemptions. The Directors of the Master Fund also have the right to declare a suspension of redemption of shares.

The table following analyses all of the Group's financial assets and liabilities into relevant maturity groupings based on the remaining year at the Consolidated Statements of Financial Position date to the contractual maturity date. The cash flows are on an undiscounted basis.

	Less than 1 month	1-3 months	3-12 months	Greater than 12 months	No stated maturity	Total
30 September 2012	£	£	£	£	£	£
Financial Assets						
Cash and cash equivalents	9,591,824	-	-	-	-	9,591,824
Amounts receivable on subscription of Master Fund Ordinary Redeemable Shares	148,814	-	-	-	-	148,814
Other receivables and prepayments	-	-	130,073	-	-	130,073
Amount held on Security Account	-	-	-	2,113,145	-	2,113,145
Financial assets at fair value through profit or loss	4,917,727	1,053,109	9,442,050	399,490,513	-	414,903,399
Total financial assets	14,658,365	1,053,109	9,572,123	401,603,658	-	426,887,255
Financial Liabilities						
Amounts payable on redemption of Master Fund Ordinary Redeemable Shares	93,431	-	-	-	-	93,431
Other payables and accrued expenses	-	872,089	-	-	-	872,089
Amounts held on security account	-	-	-	2,113,145	-	2,113,145
Financial liabilities at fair value through profit or loss	-	-	-	-	44,202,998	44,202,998
Total financial liabilities	93,431	872,089	-	2,113,145	44,202,998	47,281,663

	Less than 1 month	1-3 months	3-12 months	Greater than 12 months	No stated maturity	Total
30 September 2011	£	£	£	£	£	£

Financial Assets						
Cash and cash equivalents	9,220,402	-	-	-	-	9,220,402
Amounts receivable on subscription of Master Fund shares	1,074,987	-	-	-	-	1,074,987
Other receivables and prepayments	-	-	107,730	-	-	107,730
Amount held on Security Account	-	-	-	2,377,807	-	2,377,807
Financial assets at fair value through profit or loss	2,299,466	335,233	3,345,212	188,113,500	-	194,093,411
Total financial assets	12,594,855	335,233	3,452,942	190,491,307	-	206,874,337
Financial Liabilities						
Amounts payable on redemption of Master Fund shares	521,151	-	-	-	-	521,151
Distribution payable to non controlling interest	-	681,168	-	-	-	681,168
Other payables and accrued expenses	-	442,993	-	-	-	442,993
Amounts held on security account	-	-	-	2,377,807	-	2,377,807
Net assets attributable to holders of Ordinary shares	-	-	-	-	31,833,570	31,833,570
Total financial liabilities	521,151	1,124,161	-	2,377,807	31,833,570	35,856,689

20. 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..

Subsidiary

GCP Infrastructure Investments Limited as at 30 September 2012 owns a 74.35% controlling stake in GCP Infrastructure Fund Limited (the 'Master Fund'), together they form 'the Group'.

Directors

Directors remuneration totals £167,289 (30 September 2011: £152,917). The balance outstanding at the year end of £42,993 (30 September 2011: £28,356) is included within other payables and accrued expenses in note 12.

Full details of the Directors remuneration can be found in the Directors' Remuneration Report on pages 3 7 and 3 8.

Investment Adviser

The Company and the Master Fund are party to Investment Adviser Agreements with the Investment Adviser, dated 28 June 2010 and 3 June 2009 respectively, pursuant to which the Company and the Master Fund have appointed the Investment Adviser to provide advisory services relating to the respective assets on a day-to-day basis in accordance with their respective investment objectives and policies, subject to the overall supervision and direction of their respective Boards of Directors.

For its services to the Company, the Investment Adviser receives an annual fee of £20,000 (30 September 2011: £20,000). For its services to the Master Fund, the Investment Adviser receives a fee at the rate of 0.90% p.a. (or such lesser amount as may be demanded by the Investment Adviser at its own absolute discretion) multiplied by the sum of:

- the net asset value of the Master Fund, less;
- the value of the cash holdings of the Master Fund pro rata to the year 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 in respect of the Master Fund.

During the year, the Group expensed £1,150,049 (30 September 2011: £358,279) in respect of Investment Advisory fees, transaction fees and expenses. The balance outstanding at the end of the year of £656,316 (30 September 2011: £274,495) is included within investment advisory fees and expenses payable in note 12. The expensed balance comprised as follows:

- £19,945 (30 September 2011: £25,150) related to the contractual fee at Company level for the year, £0 (30 September 2011: £55) was outstanding at the end of the year; and
- £1,130,104 (30 September 2011: £326,635) related to the contractual fee at Master Fund level, £656,316 (30 September 2011: £274,440) was outstanding at the end of the year.
- £0 (30 September 2011: £6,494) related to expenses claimed at Group level for the year ended 30 September 2012.

Grosvenor PFI Holdings Limited

The owners of Grosvenor PFI Holdings Limited have a 15% non-voting partnership interest in the Investment Adviser.

21. Reconciliation of Net Asset Value

This note reconciles the Net Asset Value ("NAV") per the consolidated financial statements to the adjusted NAV as calculated in accordance with the Prospectus' rules for calculating the NAV for dealing purposes.

Establishment costs are all costs and expenses incurred in relation to the establishment of the Company.

In accordance with the NAV calculation prepared in line with the requirements of IFRS, establishment costs are expensed in the year they are incurred.

In accordance with the NAV calculation rules as stipulated in the Master Fund's Information Memorandum, establishment costs are capitalised and subsequently amortised on a straight-line basis over a five year period for the purpose of calculating the net asset value per share class for the issuance and redemption of Ordinary Redeemable Income and Accumulation Shares.

The Company's net asset value per Ordinary Share at 28 September 2012 can be reconciled to the net asset value per Ordinary Share, as calculated in accordance with IFRS, as follows:

At 30 September 2012

	Total £	Per share £
Valuation in accordance with the Prospectus at 28 September 2012	121,778,513	1.0095
Adjustment for Master Fund set-up costs	(50,151)	(0.0004)
Adjustment for 30 September 2012 valuations	46,443	0.0004
Adjustment for 30 September 2012 expense accruals	(2,184)	-
Valuation as per Consolidated Financial Statements	121,772,621	1.0095

The Company's net asset value per Ordinary Share at 30 September 2011 can be reconciled to the net asset value per Ordinary Share, as calculated in accordance with IFRS, as follows:

	At 30 September 2011	
	Total £	Per share £
Ordinary share class reconciliation		
Valuation in accordance with the Prospectus at 30 September 2011	44,156,803	1.0037
Adjustment for Master Fund set-up costs	(58,563)	(0.0013)
Valuation as per Consolidated Financial Statements	44,098,240	1.0024

22. Subsequent events after the Report date

On 9 October 2012, the Master Fund advanced a further loan of £3.1 million to ASG3. The loan is secured on a senior basis against the cash flows arising under the UK Government's Feed-In tariff scheme from a portfolio of up to approximately 1,000 domestic solar panel installations in England. The weighted average yield on the Notes is 9.46 per cent. per annum on an annualised basis, with a weighted average expected life of 24.8 years.

On 12 October 2012, the Company announced a successful fundraising of £144.4 million, with £132.3 million raised through the Placing and Offer for Subscription of C Shares with an issue price of £1.00 per C Share (the "Issue") and £12.1 million raised through the arrangements for Switching as defined in the C Share Prospectus dated 18 September 2012.

On 17 October 2012, the Company announced 132,300,000 C Shares and 11,989,698 Ordinary Shares admitted to the Official List and to trading on the London Stock Exchange, issued in connection with the Company's placing and offer for subscription and arrangements for switching.

On 15 November 2012, the Master Fund advanced a further loan of £2.35 million to Civic PFI. The loan has a term of c. 14 years and is expected to produce a return of 9.20% p.a. annual equivalent.

On 13 December 2012, the Company advanced a further loan of £5.0 million to ASG3

23. Ultimate Controlling Party

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

Forward-looking statements

The contents of this announcement include statements that are, or may be deemed to be "forward looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should". They include the statements regarding the target aggregate dividend. By their nature, forward looking statements involve risks and uncertainties and readers are cautioned that any such forward-looking statements are not guarantees of future performance. The Company's actual results and performance may differ materially from the impression created by the forward-looking statements. The Company undertakes no obligation to publicly update or revise forward-looking statements, except as may be required by applicable law and regulation (including the Listing Rules). No statement in this announcement is intended to be a profit forecast.

Annual General Meetings

The Company's next AGM will be held at 10.00 am on 11 February 2013. The Notice of Meeting will be delivered to shareholders on 11 January 2013, at which the Annual Report and consolidated financial statements for the Year will be tabled for approval.

National Storage Mechanism

A copy of the Annual Report and Financial Statements will be submitted shortly to the National Storage Mechanism ("NSM") and will be available for inspection at the NSM, which is situated at: www.hemscott.com/nsm.do

ENDS

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on this announcement (or any other website) is incorporated into, or forms part of, this announcement.

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