GCP

GCP Infrastructure Investments Limited

Half-yearly financial report and unaudited condensed consolidated financial statements

For the period 1 October 2013 to 31 March 2014

Contents

GCP Infrastructure Investments Limited (the "Company") is the only UK-listed fund focused primarily on investments in UK infrastructure debt. The Company's diversified investment portfolio is secured against long-dated, public-sector backed cash flows and offers partial inflation protection.

The Company is a closed-ended investment company incorporated in Jersey. It was admitted to the Official List and to trading on the London Stock Exchange's Main Market in July 2010 and since then it has grown to a market capitalisation of just over £470 million at 31 March 2014.

The Company achieves its investment policy by investing substantially all its capital in infrastructure debt secured against UK infrastructure projects that generate long-dated public sector-backed revenues.

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www.gcpuk.com

At a glance

£473.2m
Market capitalisation

HY 2013 – £292.5m

£371.2m
Net assets – ordinary shares

HY 2013 – £135.5m

£78.4m
Net assets – C shares

HY 2013 – N/A

3.8p
Dividends paid in period

HY 2013 – 3.8p

104.54p
NAV per ordinary share

HY 2013 – 102.02p

97.99p
NAV per C share

HY 2013 – N/A

£18.9m
Profit for the period

HY 2013 – £6.4m

32
Number of investments

HY 2013 – 28

Highlights for the half-year

- The Company declared dividends of 1.90 pence per share for each of the three month periods to 31 December 2013 and 31 March 2014
- The Company successfully raised £80 million through a C share issue that was significantly oversubscribed
- During the period the Company advanced new loans totalling c.£52.2 million secured against UK renewable energy projects, and a further £19.1 million post period end
- The Investment Adviser is conducting due diligence on a pipeline of attractive investment opportunities in a variety of PFI and renewable energy transactions
- The NAV per ordinary share and C share of the Company as at 31 March 2014 was 104.54 pence and 97.99 pence respectively
- The valuation of the Company's investment portfolio as at 31 March 2014 was £370.2 million
- The infrastructure projects that support the Company's investments have experienced no material operational or construction issues
- The Company underwent a successful reorganisation following the acquisition of all minority shareholdings in the subsidiary

Investment objectives

The Company invests in UK infrastructure debt to meet the following key objectives.

Dividend income

To provide shareholders with regular, sustained, long-term dividends

The Company has maintained or steadily increased its dividend in every period since inception, and has paid or declared a dividend of 3.8 pence for the previous three semi-annual periods. The Company moved to quarterly dividend payments from and including the quarter ending 31 December 2013.

KPI

3.8p

Dividends paid in this period

£18.9m

Profit for the half year

Capital preservation

To preserve the capital value of its investment assets over the long-term

The valuation of each of the Company's investments is in excess of the principal value outstanding. The increase in valuation of investments has resulted in the net asset value per ordinary share reaching 104.54 pence. The ordinary shares have always traded at a premium to their net asset value.

KPI

104.54p

NAV per share

109.75p

Share price as at 31 March 2014

Diversification

To generate a diversified portfolio of debt secured against UK infrastructure projects

The Company has increased the number of investments in its portfolio from 30 to 32 over the course of the period. The investment portfolio is exposed to a wide variety of sectors in terms of project type and underlying cash flow. No single investment makes up more than 10% of the portfolio.

KPI

32

Number of investments

9.0%

Size of largest investment

Portfolio at a glance

The Company's portfolio comprises projects falling under the following classifications.

Portfolio by project type

PFI 40%

Rooftop solar 26%

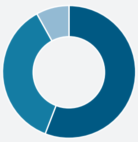
Biomass projects 10%

Anaerobic digestion 8%

Onshore wind 11%

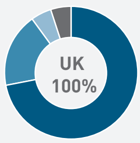
Commercial solar 5%

Portfolio by investment type



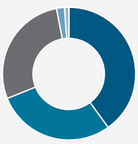
- Senior loans **56%**
- Subordinated loans **36%**
- Senior loan guarantees **8%**

Portfolio by location



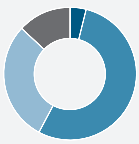
- England **72%**
- Northern Ireland **18%**
- Scotland **5%**
- Wales **5%**

Portfolio by cash flow



- Unitary charge **40%**
- Feed-in tariff **29%**
- ROCs **28%**
- RHI **2%**
- Lease payment **1%**

Portfolio by expected remaining term



- <10 yrs **4%**
- 10 – 20 yrs **54%**
- 20 – 25 yrs **29%**
- 25 – 30 yrs **13%**

Chairman's interim statement

For the period 1 October 2013 to 31 March 2014

Ian Reeves CBE
Chairman of GCP Infrastructure Investments Limited

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The Company successfully raised £80 million in the period by way of a C share issue which was significantly oversubscribed and reflects continued shareholder confidence in the Company's investment strategy.

On behalf of the Board, I am pleased to announce another period of robust performance and significant growth for the Company.

The Company has delivered a strong set of results with a total shareholder return of 3.99% and a dividend yield of 3.80% for the six month period under report (by reference to the price of £1.00 per ordinary share at which ordinary shares were issued pursuant to the Company's flotation).
The Company successfully raised £80 million in the period by way of a C share issue which was significantly oversubscribed and reflects continued shareholder confidence in the Company's investment strategy.
The Company made five investments in the period totalling £52.2 million and net assets have increased from £293.6 million to £371.2 million.

The UK economy has mounted a strong recovery over the past year and expectations are that this will continue into 2014/15. Most sectors and regions of the economy are now showing positive growth trends, with business investment also showing signs of recovery. The UK Government announced its continued support of investment in UK infrastructure in the 2014 Budget and with current annual public and private infrastructure investment averaging c.£45 billion per annum the outlook for the Company remains positive.

The Company offers exposure to UK infrastructure debt secured against UK infrastructure projects that generate long-dated public sector-backed revenues. This strategy seeks to take advantage of the demand and supply imbalance that has existed in the long-dated infrastructure debt sector for the last five years, specifically in the PFI and renewable energy sectors.

Most sectors and regions of the economy are now showing positive growth trends, with business investment also showing signs of recovery.

Reorganisation of the Company

In December 2013 the Company announced its intention to acquire shares in the subsidiary that it did not already own such that the subsidiary was to become wholly-owned by the Company (the "Scheme"). The Scheme was approved by a vote of minority shareholders in the subsidiary on 22 January 2014, and on 7 February 2014 the subsidiary became wholly-owned by the Company.

As consideration for the purchase of the minority stake in the subsidiary, the Company paid cash of £0.7 million and issued 72.8 million ordinary shares which were admitted to the Official List and to trading on the Main Market of the London Stock Exchange.

In connection with the Scheme, and with effect from 7 February 2014, the Company and the subsidiary effected a restructure of corporate governance, advisory and certain other arrangements to reflect the new company structure.

The Company became regulated as a certified fund in Jersey pursuant to the CIF Law and the Jersey Listed Fund Guide published by the JFSC. The subsidiary ceased to be an expert fund regulated under the CIF Law, was delisted from the Channel Islands Securities Exchange, was renamed GCP Infrastructure Asset Holdings Limited and will act as a holding company for the Company's portfolio of investments.

C share issue and placing programme

In March 2014, the Company successfully raised gross proceeds of £80 million through a placing, open offer and offer for subscription of C shares (the "Issue"). The Issue was significantly oversubscribed and as such applications were scaled back. 80 million C shares were admitted to the Official List and to trading on the London Stock Exchange's Main Market for listed securities on 18 March 2014. The Company also created a placing programme that will allow the Company to issue up to 100 million ordinary shares, once the C share proceeds have been deployed, in order to take advantage of future investment opportunities.

Acquisitions and pre-payments

During the period, the Company advanced four additional loans totalling £52.2 million secured against a variety of renewable energy projects:

A senior secured loan of £21.2 million with a term of c.19 years and an interest rate of c.9.8% p.a. annual equivalent, plus an element of inflation protection. The loan is secured against cash flows arising under the Government's Renewables Obligation Certificates scheme to be generated following the development of a single site, five turbine, 15MW wind farm in Northern Ireland and from the sale of electricity therefrom.

A senior secured loan of £6.5 million with a term of c.19 years and an interest rate of c.9.8% p.a. annual equivalent, plus an element of inflation protection. The loan is secured against three single site, single turbine, 500KW wind farms being developed in Scotland and Wales eligible for payments under the Government's Feed-in Tariff scheme.

Chairman's interim statement continued

For the period 1 October 2013 to 31 March 2014

A senior secured loan of £14.4 million with a term of c.17 years and an average interest rate of 9.1% p.a. annual equivalent. The loan is being used to part-finance the construction of a 10.3MWe wood-fuelled biomass combined heat and power plant on a two acre site in Tyseley, Birmingham, England. The loan is secured against income expected to arise following the commissioning of the plant in the form of Renewables Obligation Certificates (issued by Ofgem) and from the sale of electricity therefrom.

A series of senior secured loans with an aggregate value of £10.0 million, a term of c.20 years and an interest rate of c.9.3% p.a. annual equivalent, plus an element of inflation protection. The notes are secured against a portfolio of domestic solar photovoltaic installations eligible for payments under the Government's Feed-in Tariff scheme.

All acquisitions were financed fully from available cash reserves within the Company.

The subsidiary received pre-payments totalling £37.25 million in relation to two debt facilities put in place to finance biomass boilers installations on commercial premises. The pre-payments were due to the fact that the demand for such boilers was not as high as anticipated. £26 million, £5.0 million and £6.25 million were pre-paid on 25 November 2013, 27 January 2014 and 15 May 2014 respectively.

After the period end, the Company advanced two additional loans totalling £19.1 million secured against renewable energy projects:

A senior secured loan of £12.5 million with a term of c.12 years and an interest rate of c.10.5%. The proceeds are being used to make a loan secured on a senior basis against a further series of 500KW anaerobic digestion plants all of which are expected to be located in Northern Ireland.

A loan with an aggregate value of £6.6 million with a term of c.21 years and a yield of c.10.1%. The loan is secured against the cash flows arising from a number of portfolios of domestic solar panel installations in England. Such security will be on a subordinated basis in respect of one such portfolio, and on a senior basis in respect of the remainder.

Investment pipeline

The Investment Adviser spent the nine months prior to the Issue building a highly robust and developed pipeline of investment opportunities in an effort to ensure the timely deployment of the C share proceeds. As outlined above, two transactions have already closed and a number of other deals are at an advanced stage of negotiation and due diligence. As such the Investment Adviser remains confident that the C shares will convert into ordinary shares within the timeline anticipated in the issue prospectus.

Market outlook

The various types of long-term infrastructure lenders that have emerged in recent years, including institutions, debt funds and to a lesser degree the bond markets, only serve a limited section of the Company's broad target market. These lenders tend to be limited in how they can lend in terms of loan length, size, security, project technology and construction exposure.

As such the Company is able to obtain attractive returns on debt investment opportunities relating to smaller infrastructure projects backed by long-dated, secure, public-sector backed contracts that are not currently well served by other lenders.

Developers in a variety of renewable energy sectors, particularly various areas within the biomass sectors, are still struggling to find long-term lenders. This lack of credit has created a number of attractive investment opportunities for the Company in renewable energy projects that are supported by government subsidies in one form or another.

The Investment Adviser has seen the yields available on most secondary, availability-based PFI transactions fall below levels where they are attractive to the Company. Nevertheless, the Investment Adviser is progressing one transaction in which the Company has been made preferred bidder.

The Investment Adviser continues to monitor developments with regard to investment opportunities arising under PF2, but does not anticipate completing any such investments in the near-term.

Investment performance and valuation

During the period there have been no material operational or construction issues with any of the infrastructure projects that the Company is exposed to via its portfolio of investments. All payments of principal and interest have been received in line with expectations.

Mazars LLP, the valuation agent to the Company, provides independent monthly valuations of the investment portfolio. In light of a shift in investor sentiment in the PFI and renewable energy markets Mazars reduced the discount rates on a number of the Company's assets which lead to a c.3% increase in the Company's net asset value. The weighted average discount rate used to value the Company's portfolio fell from 9.21% to 8.75% over the period.

Chairman's interim statement continued

For the period 1 October 2013 to 31 March 2014

Financial performance

The Company generated net profit of £18.9 million in the period which is up from £6.4 million in the same period in the previous year giving earnings per share of 6.27 pence per share for the period ended 31 March 2014.

Company	**Period ended 31 March 2014 £'000**	Period ended 31 March 2013 £'000
Income		
Investment income	**27,226**	11,065
Other income	**1,109**	383
	28,335	11,448
Expense		
Operating expenses	**(3,456)**	(1,533)
C share issue costs	**(1,738)**	(2,269)
	(5,194)	(3,802)
Total operating profit	**23,141**	7,646
Finance costs	**(4,233)**	(1,262)
Profit for the period	**18,908**	6,384
Earnings per share (p)	**6.27**	4.85

Company	**As at 31 March 2014 £'000**	As at 30 September 2013 £'000
Assets		
Cash and cash equivalents	**80,997**	25,391
Other receivables and pre-payments	**1,759**	3,127
Financial assets at fair value through profit or loss	**370,215**	344,142
Total assets	**452,971**	372,660
Liabilities		
Liability to C share class fund	**(78,395)**	—
Financial liabilities at fair value through profit or loss	**—**	(75,249)
Other payables and accrued expenses	**(3,411)**	(3,795)
Net assets	**371,165**	293,616
NAV per ordinary share:	**104.54**	104.35
NAV per C share:	**97.99**	—

Net asset growth

The net assets of the Company have grown significantly from £293.6 million to £371.2 million as a result of the acquisition of the subsidiary minority shareholdings, additional acquisitions and the revaluation in March 2014 of the Company's solar and PFI portfolios. The net asset value per share has remained stable over the period with the Company's ordinary shares maintaining their premium to NAV.

Investment portfolio

As at 31 March 2014 the Company was exposed to a portfolio of 32 loans secured against 87 individual PFI and renewable energy projects.

Valuation of the Company's investment portfolio as at 31 March 2014 was £370.2 million.

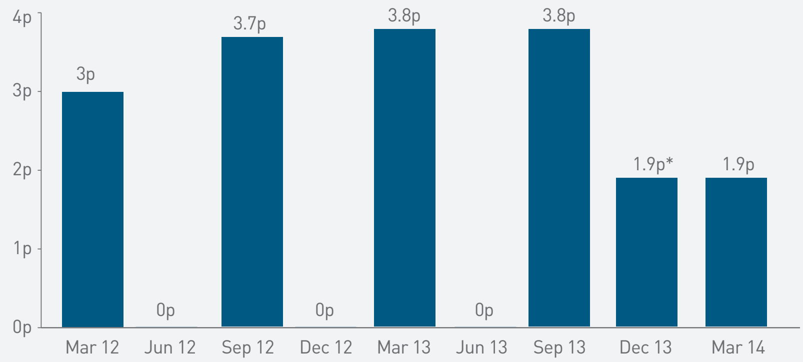
The weighted average annualised yield was 9.6% and average expected term 15 years.

Dividends

The Company moved to payment of quarterly dividends for the period ending 31 December 2013. A dividend of 1.90 pence per share was declared for both three month periods ending 31 December 2013 and 31 March 2014.

Chairman
22 May 2014

Dividend history



*Now quarterly

Strategic overview

Incorporation and organisation

GCP Infrastructure Investments Limited 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 main market of the London Stock Exchange.

Investment policy

The Company's investment objectives are to provide its shareholders with regular, sustained, long-term dividends and to preserve the capital value of its investment assets over the long-term, by generating exposure to subordinated PFI debt and/or similar assets.

Investment objective and policy of the Company

The Company 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 Company may also acquire (or acquire interests in) the senior debt of infrastructure project companies, or their owners.

The Company achieves its investment objectives primarily by seeking exposure to debt (both senior and subordinated) secured against UK infrastructure projects with the following characteristics:

i. pre-determined, very long-term, public-sector backed revenues

ii. no construction or property risk

iii. contracts where payments do not depend on the level of use of the project assets

In accordance with the Company's prospectus, the investments as described above must make up a minimum of 75% of the Company's total assets. The Company may also consider, in respect of up to an absolute maximum of 25% of its total assets (at the time the relevant investment is made), taking exposure to projects that are not within its primary focus.

Target dividend payment

The Company targets dividend payments of 8 pence per ordinary share per year.

Dividend policy

The Company, as far as reasonably practicable and taking into account the costs of the Company and its working capital requirements, distributes by way of dividend payments to ordinary shareholders up to the target dividend payment of 8 pence per ordinary share.

Gearing

Structural gearing is permitted at Company level up to a maximum of 20% of the Company's net asset value immediately following draw down of the relevant debt. The Company does not currently have any debt facilities in place and does not currently intend to introduce gearing except in the event that it would become more cost-efficient to introduce gearing.

Diversification

The objective of the Company is to generate a diversified portfolio of subordinated debt infrastructure assets and related and/or similar assets and to maintain its portfolio so that not more than 10% in value of the Company's total assets from time to time consist of securities or loans relating to any one individual infrastructure asset (having regard to the risks relating to any cross-default or cross-collateralisation provisions).

This objective is subject to the Company having a sufficient level of investment capital from time to time and the ability of the Company to invest its cash in suitable investments and is subject to the investment restrictions described above.

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

The Company may seek to raise additional capital from time to time to the extent that the Directors and the Investment Adviser believe the Company will be able to make suitable investments. This will enable the Company to achieve greater diversification of risk and to benefit from economies of scale in relation to the operational costs of the Company.

Valuation

The valuation agent reviews the discount rates used to value the Company's assets on a monthly basis. 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 Company is calculated by applying a discount rate (determined by the valuation agent) to the cash flow expected to arise from each asset.

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

- sterling interest rates
- movements of comparable credit markets
- observable yield on other comparable instruments

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

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

The valuation agent utilises the key valuation inputs set out above to determine an appropriate valuation for each investment. In the period there has been a tightening of yields available on secondary PFI and operational renewables assets, and with this in mind the valuation agent decided to revalue certain assets upwards. This has led to a £9.3 million revaluation gain on the portfolio. The weighted average discount rate at 31 March 2014 was 8.75%, a decrease of 46 basis points from 9.21% as at 30 September 2013.

Compliance

The FCA has further clarified provisions under AIFMD in the period and as a result the Company will be classed as an externally-managed alternative investment fund under AIFMD. The Board has appointed the Investment Adviser as the authorised Alternative Investment Fund Manager to the Company. The Investment Adviser is acting under the AIFMD transitional arrangements prior to approval from the FCA.

On 1 January 2014 FCA rules regarding the promotion of non-mainstream pooled investments came into effect. The Board conducts and intends to continue to conduct its affairs, so that the Company's shares will be "excluded securities" under the FCA's new rules. This is on the basis that the Company, which is resident outside the EEA, would qualify for approval as an investment trust by the Commissioners for HM Revenue and Customs if resident and listed in the United Kingdom.

The principles of good corporate governance as set out in the UK Corporate Governance Code (the "Code") which was updated in 2012, and the Association of Investment Companies ("AIC") Code of Corporate Governance which was updated in 2013 and accompanying guide ("AIC Code and Guide") are adopted by the Company where appropriate. A copy of the Code is available at www.frc.org; a copy of the AIC Code and Guide can be found at www.theaic.co.uk.

Principal risks and uncertainties

Risk	How the risk is managed
Availability of suitable investments There is no guarantee that there will be substantial demand for loans of the type sought to be made by the Company, or that any such demand will result in sufficient investments being made in a timely manner.	The Company builds an investment pipeline before raising additional finance in order to ensure that capital is deployed in a timely fashion.
Sufficiency of due diligence The Investment Adviser's due diligence may not reveal all the facts relevant in connection with an investment and may not highlight issues that could affect the investments' performance.	In addition to due diligence carried out by the Investment Adviser, third party financial, technical, insurance and legal experts are engaged to advise on specific project risks.
Performance of project sub-contractors The performance of the Company's investments is typically, to a considerable degree, dependent on the performance of sub-contractors, most notably facilities managers and operation and maintenance contractors.	The competence and financial strength of contractors, as well as the terms of contractor engagements, is a key focus of investment due diligence. The Investment Adviser monitors the Company's exposure to any given sub-contractor, and ensures that the risk of underperformance is mitigated by diversification.
Counterparty default The Company is reliant on counterparties, typically public sector entities, to fulfil their payment obligations under PFI or renewable energy contracts.	It is the view of the Investment Adviser and the Board that this risk is mitigated by the UK Government's ability to satisfy its obligations through its fiscal independence, and the willingness to do so given the importance of private capital for the funding of new social and economic infrastructure and renewable energy projects.
Borrower default The Company is exposed to the risk of default by borrowers and other counterparties.	The Company ensures that it has full security, either on a senior or subordinated basis, over the assets against which it is lending.
Inflation A prolonged period of high inflation could harm the value of the Company's investments.	Where possible, the Investment Adviser ensures that loan investments carry an element of inflation protection, often in the form of principal indexation over certain inflation hurdles.
Operational or construction issues The investments which the Company holds are exposed to construction and/or operational risks and may not perform as expected.	The Investment Adviser undertakes extensive due diligence on all projects regarding expected performance (and, where relevant, construction). A full package of insurance and manufacturer guarantees is typically put in place to protect the fund from any unforeseen events. The Company's construction exposure is limited (in aggregate, together with any demand and non-public sector risks) to 25% of its total assets. The Investment Adviser monitors this limit and the status of any project in the construction phase on an ongoing basis.
Rollout of renewable energy projects The capital from certain Company investments is used to fund the rollout of specific renewable energy projects. The return of such investments may be adversely affected should the rollout be slower or smaller than anticipated.	The Investment Adviser conducts a detailed assessment of the robustness of the pipeline of opportunities including a thorough review of the proposed sales and marketing process, the viability of the commercial offering and the pipeline and the operational and commercial competence of the borrower.
AIFMD AIFMD came into force in July 2013, with transitional arrangements for a year. This could impact the Company's ability to market in various European jurisdictions, with a consequent impact on share price and liquidity.	Having taken professional advice, the Board believes shareholders' interests would be best served by fully complying with the Directive as if the Company were a UK domiciled fund. Accordingly, it is the Board's intention to appoint Gravis Capital Partners LLP as the AIFM, to appoint a Depositary and to complete the authorisation process by July 2014.

Statement of Directors' responsibilities

For the period 1 October 2013 to 31 March 2014

The Directors are responsible for preparing the half-yearly financial report and unaudited condensed consolidated financial statements in accordance with applicable Companies (Jersey) Law 1991 and International Financial Reporting Standards as adopted by the European Union.

The Directors are 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
- 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 applicable laws. 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 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.

In preparing the half-yearly financial report and unaudited condensed consolidated financial statements, the Directors are responsible for ensuring that they give a true and fair view of the state of affairs of the Company at the end of the period and the profit or loss of the Company for the period.

The Directors confirm that these half-yearly financial report and unaudited condensed consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

Dividend policy

The Directors have absolute discretion as to the payment of dividend. There was an interim dividend of 1.90 pence per share for the period from 1 January 2014 to 31 March 2014 declared on 15 April 2014 which is to be paid on 29 May 2014.

On behalf of the Board of Directors

D. R. Pirouet

Mr David Pirouet
Chairman of the Audit Committee
22 May 2014

Mr Ian Reeves CBE
Chairman
22 May 2014

Unaudited condensed consolidated statement of comprehensive income

For the period 1 October 2013 to 31 March 2014

Ordinary share class

	Notes	Period ended 31 March 2014 £'000	Period ended 31 March 2013 £'000
Income			
Investment income	3	**25,621**	8,749
Arrangement fee income	3	**1,048**	63
Deposit interest Income	3	**52**	21
		26,721	8,833
Expense			
Investment advisory fees	12	**(1,681)**	(730)
C share issue costs		**(134)**	—
Restructure costs	8	**(407)**	—
Operating expenses		**(1,358)**	(457)
		(3,580)	(1,187)
Total operating profit before finance costs		**23,141**	7,646
Finance costs			
Interest expense		**—**	(21)
Distributions to non-controlling interest		**(4,233)**	(1,241)
Profit for the period		**18,908**	6,384
Other comprehensive income		**—**	—
Total comprehensive income attributable to the ordinary share class fund		**18,908**	6,384
Basic earnings per share (p)		**6.2659**	4.8491

Unaudited condensed consolidated statement of comprehensive income

For the period 1 October 2013 to 31 March 2014

C share class

	Notes	Period ended 31 March 2014 £'000
Income		
Deposit interest income	3	**9**
		9
Expense		
C share issue costs		**(1,604)**
Operating expenses		**(10)**
		(1,614)
Total operating loss		**(1,605)**
Other comprehensive income		**—**
Total comprehensive loss attributable to the C share class fund		**(1,605)**
Basic loss per share (p)		**(2.0055)**

Unaudited condensed consolidated statement of comprehensive income

For the period 1 October 2013 to 31 March 2014

Group

	Notes	**Period ended 31 March 2014 £'000**	Period ended 31 March 2013 £'000
Income			
Investment income		**27,226**	11,065
Arrangement fee income		**1,048**	63
Deposit interest Income		**61**	320
		28,335	11,448
Expense			
Investment advisory fees	12	**(1,681)**	(838)
C share issue costs		**(1,738)**	(2,269)
Restructure costs	8	**(407)**	—
Operating expenses		**(1,368)**	(695)
		(5,194)	(3,802)
Total operating profit before finance costs		**23,141**	7,646
Finance costs			
Interest expense		**—**	(21)
Distributions to non-controlling interest		**(4,233)**	(1,241)
Profit for the period		**18,908**	6,384
Other comprehensive income		**—**	—
Total comprehensive income attributable to the Company		**18,908**	6,384

Unaudited condensed consolidated statement of financial position

As at 31 March 2014

Ordinary share class

	Notes	**As at 31 March 2014 £'000**	As at 30 September 2013 £'000
Assets			
Cash and cash equivalents		**2,798**	25,391
Other receivables and pre-payments		**1,471**	3,127
Financial assets at fair value through profit or loss	11	**370,215**	344,142
Total assets		**374,484**	372,660
Liabilities			
Amounts payable on redemption of subsidiary shares		**—**	(64)
Other payables and accrued expenses	9	**(3,319)**	(3,731)
Financial liabilities at fair value through profit or loss	11	**—**	(75,249)
Total liabilities		**(3,319)**	(79,044)
Net assets		**371,165**	293,616
Capital and reserves			
Share capital	10	**3,550**	2,814
Share premium	10	**361,195**	287,239
Other capital reserves		**66**	66
Retained earnings		**6,354**	3,497
Total capital and reserves		**371,165**	293,616

Unaudited condensed consolidated statement of financial position

As at 31 March 2014

C share class

	Notes	As at 31 March 2014 £'000
Assets		
Cash and cash equivalents		**78,199**
Other receivables and pre-payments		**290**
Total assets		**78,489**
Liabilities		
Other payables and accrued expenses	9	**(94)**
Total liabilities		**(94)**
Net assets		**78,395**
Capital and reserves		
Share capital	10	**800**
Share premium	10	**79,200**
Retained earnings		**(1,605)**
Total capital and reserves		**78,395**

Unaudited condensed consolidated statement of financial position

As at 31 March 2014

Group

	Notes	As at 31 March 2014 £'000	As at 30 September 2013 £'000
Assets			
Cash and cash equivalents		**80,997**	25,391
Other receivables and pre-payments		**1,759**	3,127
Financial assets at fair value through profit or loss	11	**370,215**	344,142
Total assets		**452,971**	372,660
Liabilities			
Amounts payable on redemption of subsidiary shares		**—**	(64)
Liability to C share class fund		**(78,395)**	—
Other payables and accrued expenses	9	**(3,411)**	(3,731)
Financial liabilities at fair value through profit or loss	11	**—**	(75,249)
Total liabilities		**(81,806)**	(79,044)
Net assets		**371,165**	293,616
Capital and reserves			
Share capital	10	**3,550**	2,814
Share premium	10	**361,195**	287,239
Other capital reserves		**66**	66
Retained earnings		**6,354**	3,497
Total capital and reserves		**371,165**	293,616

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

Mr David Pirouet
Chairman of the Audit Committee
22 May 2014

Mr Clive Spears
Director
22 May 2014

Unaudited condensed consolidated statement of changes in equity

For the period 1 October 2012 to 31 March 2014

	Notes	Share capital £'000	Share premium £'000	Other capital reserves £'000	Retained earnings £'000	Total equity attributable to owners of the Company £'000
At 1 October 2012		1,206	121,638	19	(1,091)	121,772
Profit for the year		—	—	—	19,522	19,522
Equity shares issued		1,608	165,601	—	—	167,209
Transfer to capital redemption reserve		—	—	47	—	47
Dividends	5	—	—	—	(14,934)	(14,934)
At 30 September 2013		2,814	287,239	66	3,497	293,616
Profit for the period		—	—	—	18,908	18,908
Equity shares issued	10	736	73,956	—	—	74,692
Dividends	5	—	—	—	(16,051)	(16,051)
At 31 March 2014		**3,550**	**361,195**	**66**	**6,354**	**371,165**

C share class

	Notes	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
Loss for the period		—	—	(1,605)	(1,605)
Equity shares issued	10	800	79,200	—	80,000
As at 31 March 2014		**800**	**79,200**	**(1,605)**	**78,395**

Unaudited condensed consolidated statement of changes in equity

For the period 1 October 2012 to 31 March 2014

Group

	Notes	Share capital £'000	Share premium £'000	Other capital reserves £'000	Retained earnings £'000	Total equity attributable to owners of the Company £'000
At 1 October 2012		1,206	121,638	19	(1,091)	121,772
Profit for the year		—	—	—	19,522	19,522
Equity shares issued		1,608	165,601	—	—	167,209
Transfer to capital redemption reserve		—	—	47	—	47
Dividends	5	—	—	—	(14,934)	(14,934)
At 30 September 2013		2,814	287,239	66	3,497	293,616
Profit for the period		—	—	—	18,908	18,908
Equity shares issued	10	736	73,956	—	—	74,692
Dividends	5	—	—	—	(16,051)	(16,051)
At 31 March 2014		**3,550**	**361,195**	**66**	**6,354**	**371,165**

Unaudited condensed consolidated statement of cash flows

For the period 1 October 2013 to 31 March 2014

Ordinary share class

	Notes	**Period ended 31 March 2014 £'000**	Period ended 31 March 2013 £'000
Net cash flow generated from operating activities		**10,898**	5,909
Cash flows from investing activities			
Purchase of financial assets		**(47,086)**	(5,479)
Capital repayments on financial assets		**31,188**	188
Net cash flow used in investing activities		**(15,898)**	(5,291)
Cash flows from financing activities			
Proceeds from issue of shares		**16**	12,109
Dividends paid	5	**(15,041)**	(4,804)
Payment to non-controlling interest		**(2,568)**	(12,758)
Interest expense		**—**	(90)
Net cash flow used in financing activities		**(17,593)**	(5,543)
Net decrease in cash and cash equivalents		**(22,593)**	(4,925)
Cash and cash equivalents at beginning of the period		**25,391**	9,592
Cash and cash equivalents at end of the period		**2,798**	4,667
Non-cash items			
Decrease in amounts held on security account		**(464)**	(128)
Decrease in amounts held on security account payable		**515**	130
Increase in interest held on security account payable		**(51)**	(2)
		—	—
Non-cash items arising from switching shares			
Issue of shares		**73,666**	12,109
Redemption of non-controlling interests		**(73,666)**	(12,109)
		—	—
Net cash generated by operating activities includes:			
Deposit interest received		**59**	21
Investment income received		**13,284**	6,853

Unaudited condensed consolidated statement of cash flows

For the period 1 October 2013 to 31 March 2014

C share class

	Period ended 31 March 2014 £'000
Net cash flow used in operating activities	**(1,517)**
Cash flows from financing activities	
Proceeds from issue of shares	**79,716**
Net cash flow generated from financing activities	**79,716**
Net increase in cash and cash equivalents	**78,199**
Cash and cash equivalents at beginning of the period	**—**
Cash and cash equivalents at end of the period	**78,199**

Unaudited condensed consolidated statement of cash flows

For the period 1 October 2013 to 31 March 2014

Company

	Notes	**Period ended 31 March 2014 £'000**	Period ended 31 March 2013 £'000
Net cash flow generated from operating activities		**9,381**	5,909
Cash flows from investing activities			
Purchase of financial assets		**(47,086)**	(5,479)
Capital repayments on financial assets		**188**	188
Sale of financial assets		**31,000**	—
Net cash flow used in investing activities		**(15,898)**	(5,291)
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**16**	12,109
Proceeds received from C share holders		**79,716**	—
Dividends paid	5	**(15,041)**	(4,804)
Payment to non-controlling interest		**(2,568)**	(12,758)
Interest expense		**—**	(90)
Net cash flow generated from/(used in) financing activities		**62,123**	(5,543)
Net increase/(decrease) in cash and cash equivalents		**55,606**	(4,925)
Cash and cash equivalents at beginning of the period		**25,391**	9,592
Cash and cash equivalents at end of the period		**80,997**	4,667
Non-cash items			
Decrease in amounts held on security account		**(464)**	(128)
Decrease in amounts held on security account payable		**515**	130
Increase in interest held on security account payable		**(51)**	(2)
		—	—
Non-cash items arising from switching shares			
Issue of ordinary shares		**73,666**	12,109
Redemption of non-controlling interests		**(73,666)**	(12,109)
		—	—
Net cash generated by operating activities includes:			
Deposit interest income		**59**	21
Investment income received		**13,284**	6,853

Notes to the unaudited condensed consolidated financial statements

For the period 1 October 2013 to 31 March 2014

1. General information

GCP Infrastructure Investments Limited 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, and the Collective Investment Funds (Jersey) Law 1988.

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

These condensed consolidated financial statements consolidate the financial statements of the Company and its subsidiary.

The Company makes infrastructure investments through acquiring (or acquiring interest in) 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.

2. Significant accounting policies

2.1 Basis of preparation

The half-yearly condensed consolidated financial statements for the six month period 1 October 2013 to 31 March 2014 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The half-yearly condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 30 September 2013.

The financial information contained in the half-yearly financial report for the six month period 1 October 2013 to 31 March 2014 has not been audited or reviewed by the Company's Auditors pursuant to the Auditing Practices Board guidance.

The condensed 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 condensed consolidated financial statements are presented in sterling and all values have been rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The net assets and results attributable to the ordinary shares and C shares are reported separately throughout these condensed consolidated financial statements, with the aggregate net assets and results presented as the Group.

These condensed consolidated financial statements consolidate the financial statements of the Company and its subsidiary, on the basis that it has the power to exercise control over the operations of the subsidiary. All transactions and balances between the Company and the subsidiary have been eliminated on consolidation. Prior to the acquisition of the outstanding ordinary redeemable income shares and ordinary redeemable accumulation shares of the subsidiary on 7 February 2014, the shares were classified as financial liabilities at fair value through profit or loss within the consolidated statement of financial position.

The Company raises new capital through C share issues which convert in accordance with the C share prospectus into ordinary shares. When in issue, the net assets attributable to the C share class 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 as a distinct pool of C share assets.

Changes to accounting standards and interpretations

The accounting policies adopted in the preparation of the half-yearly condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 30 September 2013, except for the adoption of new standards and interpretations effective as of 1 January 2013.

The Company has applied, for the first time, IFRS 13 Fair Value Measurement.

2.2 Significant accounting judgements 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 condensed 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 11.

Going concern

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

Notes to the unaudited condensed consolidated financial statements continued

For the period 1 October 2013 to 31 March 2014

3. Segment information

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

Operating income

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

Ordinary shares	**31 March 2014 £'000**	31 March 2013 £'000
Channel Islands	**52**	21
United Kingdom	**26,669**	8,812
Total	**26,721**	8,833

C shares	**31 March 2014 £'000**
Channel Islands	**9**
Total	**9**

The tables below analyse the Company's operating income for the period per investment type.

Ordinary shares	**31 March 2014 £'000**	31 March 2013 £'000
Cash and cash equivalents	**52**	21
Financial assets and liabilities at fair value through profit or loss	**26,669**	8,812
Total	**26,721**	8,833

C shares	**31 March 2014 £'000**
Cash and cash equivalents	**9**
Total	**9**

The tables below analyse the operating income derived from the Company's financial assets and liabilities at fair value through profit or loss.

Ordinary shares	**31 March 2014 £'000**	31 March 2013 £'000
Arrangement fee income	**1,048**	63
Investment income	**13,284**	6,853
Net movement in financial assets at fair value through profit or loss	**10,176**	2,265
Net movement in financial liabilities at fair value through profit or loss	**2,161**	(369)
Total	**26,669**	8,812

C shares	**31 March 2014 £'000**
Net movement in financial assets at fair value through profit or loss	**—**
Total	**—**

4. Taxation

Profits arising in the Company for the period from 1 October 2013 to 31 March 2014 are subject to tax at the rate of 0% (31 March 2013: 0%).

5. Dividends

Total dividends paid at Company level for the period 1 October 2013 to 31 March 2014 totalled 3.80 pence per share (31 March 2013: 3.80 pence per share) as follows:

	Pence	**31 March 2014 £'000**	31 March 2013 £'000
Current period dividends			
31 March 2014	1.90	**—**	—
31 December 2013	1.90	**5,538**	—
	3.80		
Prior period dividends			
30 September 2013	3.80	**10,693**	—
31 March 2013	3.80	**—**	5,039
	7.60		
Dividends in consolidated changes in equity		**16,051**	5,039
Dividends settled in shares		**(1,010)**	(235)
Dividends in cash flow statement		**15,041**	4,804

6. Earnings per share

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

	Profit £'000	Weighted average number of ordinary shares	Pence per share
Ordinary shares			
Period ended 31 March 2014			
Basic earnings per ordinary share	18,908	301,751,470	6.2659
C shares			
Period ended 31 March 2014			
Basic loss per C share	(1,605)	80,000,000	(2.0055)
Ordinary shares			
Period ended 31 March 2013			
Basic earnings per ordinary share	6,384	131,660,992	4.8491

Diluted earnings per share have not been presented due to the inherent variability associated with the C share conversion calculation and estimates required to calculate the diluted earnings per share. The C shares will not convert to ordinary shares until the value of the investments of the Company is at least 90% of the net asset value of the Company. This requirement aims to minimise the potential impact of any dilution to earnings per share arising from the C share conversion.

Notes to the unaudited condensed consolidated financial statements continued

For the period 1 October 2013 to 31 March 2014

7. Business combinations

The condensed consolidated financial statements comprise the financial statements of the Company and its subsidiary, for the period 1 October 2013 to 31 March 2014.

The subsidiary is fully consolidated from the date of acquisition, being the date on which the Company 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 period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and distributions are eliminated in full.

Acquisition of additional holdings in the subsidiary

On 1 October 2013, the Company held 271,195,622 ordinary redeemable income shares at a fair value of £284,645,808 representing 80.43% of the issued share capital of the subsidiary, with a non-controlling interest share of 19.57% of the issued share capital of the subsidiary.

On 31 December 2013, the Company bought an additional 706,148 ordinary income shares at a fair value of £750,000. At this point the Company owned 80.39% of the issued share capital of the subsidiary, with a non-controlling interest share of 19.61% of the issued share capital of the subsidiary held by other parties.

On 7 February 2014, by way of a scheme of arrangement, the subsidiary became a wholly-owned (100%) subsidiary of the Company. In accordance with the elections made by minority subsidiary shareholders, the Company issued 49,151,762 ordinary shares to the minority subsidiary shareholders, issued 23,590,600 ordinary shares to GCP Infrastructure OEIC Limited and paid £674,665 in cash to the minority subsidiary shareholders. The non-controlling interests of the subsidiary at the time of the scheme of arrangement amounted to 19.58% of the issued share capital and had a value of £74.3 million.

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

8. Restructure costs

The restructure costs are the costs incurred to effect the scheme of arrangement whereby the Company acquired the shares held by the non-controlling interests in the subsidiary. The total costs associated with the restructure were £0.4 million.

9. Other payables and accrued expenses

Ordinary shares	31 March 2014 £'000	30 September 2013 £'000
Amounts held on security account	**1,416**	1,880
Investment advisory fees	**1,562**	1,268
Legal and professional fees	**—**	275
Restructure costs	**36**	—
Other expenses	**305**	308
Total	**3,319**	3,731

C shares	31 March 2014 £'000
Other expenses	**94**
Total	**94**

10. Authorised and issued share capital

Share capital	Number of shares	31 March 2014 £'000
Ordinary shares issued and fully paid		
At 1 October 2013	281,384,013	2,814
Issued in the period	73,674,151	736
At 31 March 2014	**355,058,164**	**3,550**
C shares issued and fully paid		
Issued in the period	80,000,000	800
At 31 March 2014	**80,000,000**	**800**

Share premium	31 March 2014 £'000	31 March 2013 £'000
Ordinary shares		
Opening balance	287,239	121,638
Issued in the period	73,956	12,222
At 31 March 2014	**361,195**	**133,860**
C shares		
Issued in the period	79,200	130,977
At 31 March 2014	**79,200**	**130,977**

The Company's share capital is represented by ordinary shares, in addition to C shares and deferred shares when in issue. Quantitative information about the Company's capital is provided in the unaudited condensed 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 Company 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 Company and are in existence for C share conversion purposes only. As at 31 March 2014 there are no deferred shares in issue (30 September 2013: nil).

On 13 March 2014, the Company announced the successful issuance of 80,000,000 C shares following a fundraising of £80 million.

As at 31 March 2014, the Company's issued share capital comprised 355,058,164 ordinary shares and 80,000,000 C shares, none of which were held in treasury.

11. Financial instruments

11.1 Capital management

The Company is wholly funded from equity balances, comprising issued ordinary share capital and retained earnings as detailed in note 10.

The Company may borrow up to 20% of its NAV as at such time any such borrowings are drawn down.

11.2 Financial risk management objectives

The Company has an investment policy and strategy as summarised in its prospectus dated 12 February 2014 that sets out its overall investment strategy and its general risk management philosophy and has established processes to monitor and control these in a timely and accurate manner. These guidelines are the subject of regular operational reviews undertaken by the Investment Adviser to ensure that the Company's policies are adhered to as it is the Investment Adviser's duty to identify and assist in the control of risk. The Investment Adviser reports regularly to the Directors who have ultimate responsibility for the overall risk management approach.

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

11.3 Market risk

The Company's portfolio of assets is held at fair value, and their values are monitored on a monthly basis by the Valuation Agent. There is a risk that market movements may decrease the value of the Company's assets without regard to the assets underlying performance.

The valuation agent considers the movements in comparable credit markets and publicly available information around each project in assessing the expected future cash flows from each investment.

The valuation principles used are based on a discounted cash flow methodology. A fair value for each asset acquired by the Company is calculated by applying relevant market discount rate to the contractual 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, into account the following significant inputs:

- sterling interest rates
- movements of comparable credit markets
- observable yield on other comparable instruments

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

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

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

31 March 2014 **Change in discount rate**	**0.50%**	**0.25%**	**0.00%**	**(0.25%)**	**(0.50%)**
Value of financial assets at fair value (£'000)	**358,213**	**364,121**	**370,215**	**376,505**	**382,996**
Change in value of financial assets at fair value (£'000)	**(12,002)**	**(6,094)**	**—**	**6,290**	**12,781**

30 September 2013 Change in discount rate	0.50%	0.25%	0.00%	(0.25%)	(0.50%)
Value of financial assets at fair value (£'000)	333,491	338,718	344,142	349,742	355,554
Change in value of financial assets at fair value (£'000)	(10,651)	(5,424)	—	5,600	11,412

11.4 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.

Future cash flows

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

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

Where the debt instrument is subordinated, the Company is indirectly exposed to the gearing of the infrastructure project companies. The Investment Adviser ensures as part of its due diligence that the project company senior debt has been hedged where appropriate.

Borrowings

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

11.5 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty is not an exchange clearing house.

The Company is exposed to differing levels of credit risk on all its assets. Per the consolidated statement of financial position, the Company's total exposure to credit risk is £453.0 million. On an undiscounted basis, the total exposure to credit risk is £873.8 million.

The role and position within an infrastructure project structure of the Company'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.

11. Financial instruments continued

11.5 Credit risk continued

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 period end exposures are reported to the Directors quarterly.

Concentration of credit risk to any project company did not exceed 10% of the Company's portfolio as at the period end.

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

11.6 Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its liabilities or redeem its shares earlier than expected.

The following table analyses all of the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period from 31 March 2014 to the contractual maturity date. The cash flows are on an undiscounted basis.

Ordinary shares 31 March 2014	Less than one month £'000	One to three months £'000	Three to twelve months £'000	Greater than twelve months £'000	No stated maturity £'000	Total £'000
Financial assets						
Cash and cash equivalents	80,997	—	—	—	—	80,997
Other receivables and pre-payments	284	59	—	—	—	343
Amount held on security account	—	—	—	1,416	—	1,416
Financial assets at fair value through profit or loss	7,482	3,942	23,394	756,275	—	791,093
Total financial assets	**88,763**	**4,001**	**23,394**	**757,691**	**—**	**873,849**
Financial liabilities						
Other payables and accrued expenses	—	1,995	—	—	—	1,995
Amounts held on security account	—	—	—	1,416	—	1,416
Liability to C share class fund	—	—	—	—	78,395	78,395
Financial liabilities at fair value through profit or loss	—	—	—	—	—	—
Total financial liabilities	**—**	**1,995**	**—**	**1,416**	**78,395**	**81,806**

Ordinary shares 30 September 2013	Less than one month £'000	One to three months £'000	Three to twelve months £'000	Greater than twelve months £'000	No stated maturity £'000	Total £'000
Financial assets						
Cash and cash equivalents	25,391	—	—	—	—	25,391
Amounts receivable on subscription of subsidiary shares	1,151	—	—	—	—	1,151
Other receivables and pre-payments	—	—	96	—	—	96
Amount held on security account	—	—	—	1,880	—	1,880
Financial assets at fair value through profit or loss	7,856	2,329	21,563	739,819	—	771,567
Total financial assets	**34,398**	**2,329**	**21,659**	**741,699**	**—**	**800,085**
Financial liabilities						
Amounts payable on redemption of subsidiary shares	64	—	—	—	—	64
Other payables and accrued expenses	—	1,851	—	—	—	1,851
Amounts held on security account	—	—	—	1,880	—	1,880
Financial liabilities at fair value through profit or loss	—	—	—	—	75,249	75,249
Total financial liabilities	**64**	**1,851**	**—**	**1,880**	**75,249**	**79,044**

Notes to the unaudited condensed consolidated financial statements continued

For the period 1 October 2013 to 31 March 2014

11. Financial instruments continued

11.7 Fair values of financial assets

The Company's existing financial assets are designated as financial assets at fair value through profit or loss.
The Company's existing financial liabilities are designated as financial liabilities at fair value through profit or loss.
Both these financial instruments are held at fair value.

Basis of determining fair value

The valuation agent carries out monthly fair valuations of the financial assets of the subsidiary. These valuations are reviewed by both the Investment Adviser and the Directors of the subsidiary. The basis for the valuation agent's valuations is described in section 11.3.

Fair value measurements

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:

- level 1: quoted prices in active markets for identical assets or liabilities
- level 2: 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 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

The table below summarises all securities held by the Company based on the fair valuation technique adopted.

Financial assets at fair value through profit or loss	Fair value hierarchy	**31 March 2014 £'000**	30 September 2013 £'000
Loan notes (carrying value 2014: 273,691k, 2013: 251,247k)	Level 2	**302,909**	260,130
Loan notes (carrying value 2014: 66,203k, 2013: 72,750k)	Level 3	**67,306**	84,012
Financial liabilities at fair value through profit or loss			
Non-controlling interest	Level 2	**—**	75,249

The Directors have classified the financial instruments as level 2 or level 3 depending on whether or not there is a consistent data set of comparable and observable market transactions. Due to the limited number of comparable and observable market transaction in the biomass sector, the Directors have classified the Company's investments in biomass projects as level 3.

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

	Loan notes £'000
Opening balance	84,012
Total gains and losses in profit or loss	2,178
Purchases	14,453
Repayments	(31,000)
Loan interest received	(2,337)
Closing balance	**67,306**

During the period there were no transfers of investments between levels therefore no further disclosure is considered necessary by the Board of Directors.

12. Related party disclosures

As defined by IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Directors

The non-executive Directors of the Company and the subsidiary are considered to be the key management personnel of the Company. Directors' remuneration for the period totalled £108k (31 March 2013: £99k).

Investment Adviser

The Company is party to an Investment Adviser Agreement with the Investment Adviser, dated 31 January 2014, pursuant to which the Company has appointed the Investment Adviser to provide advisory services relating to the assets on a day to day basis in accordance with its investment objectives and policies, subject to the overall supervision and direction of the Board of Directors.

For its services to the Company, the Investment Adviser receives an annual fee at the rate of 0.90% of the net asset value of the Company (or such lesser amount as may be demanded by the Investment Adviser at its own absolute discretion) multiplied by the sum of:

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

The Investment Adviser is also entitled to claim for expenses arising in relation to the performance of certain duties.

During the period, the Company expensed £1,681k (31 March 2013: £838k) in respect of investment advisory fees and expenses.

Partners of the Investment Adviser also sit on the boards of and control several intermediary investment vehicles which the Company invests in.

The partners of the Investment Adviser hold directly or indirectly, and together with their family members, 997,326 ordinary shares and 211,630 C shares in the Company.

Grosvenor PFI Holdings Limited

Whilst not a related party by accounting definition, certain of the owners of Grosvenor PFI Holdings Limited have a 15% non-voting partnership interest in the Investment Adviser. Grosvenor PFI Holdings Limited is a borrower of the subsidiary.

Grosvenor PFI Holdings Limited controls several intermediary investment vehicles in which the Company invests.

13. Subsequent events after the report date

On 17 April 2014, GCP Infrastructure Fund Limited changed its name to GCP Infrastructure Asset Holdings Limited.

On 8 May 2014, the Company completed a transaction subscribing for further loan notes with an aggregate value of £12.5 million issued by GCP Biomass 1 Limited having a yield of c.10.5% and a term of c.12 years. The proceeds are being used to make a loan secured on a senior basis against a further series of 500KW anaerobic digestion plants all of which are expected to be located in Northern Ireland.

On 15 May 2014, GCP RHI Boiler 2 Limited pre-paid the remaining balance of £6.25 million of its loan. The proceeds of the loan were intended to fund a debt facility to finance the installation of biomass boilers on commercial premises, however the demand for such boilers has remained significantly lower than anticipated.

On 16 May 2014, the Company completed a transaction committing to subscribe for loan notes with an aggregate value of up to £10.0 million issued by GCP Rooftop Solar 5 Limited having a yield of c.10.1% and a term of c.21 years. Notes with a principal value of at least £5.0 million will be issued immediately with the balance expected to be issued to the Company over the next six months. The proceeds are being used to make a loan secured against the cashflows arising from a number of portfolios of domestic solar panel installations in England installed by A Shade Greener Limited. Such security will be on a subordinated basis in respect of one such portfolio, and on a senior basis in respect of the remainder.

14. Ultimate controlling party

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

Notes

Glossary of key terms

AIFMD	Alternative Investment Fund Managers Directive
Borrower	The entity which issues loan notes to the Company, usually a special purpose vehicle
CIF Law	Collective Investment Funds (Jersey) Law 1988
The Company or Group	GCP Infrastructure Investments Limited and its subsidiary GCP Infrastructure Asset Holdings Limited
C shares	A share class issued by the Company from time to time, conversion shares are used to raise new funds without penalising existing shareholders. The funds raised are ring fenced from the rest of the Company until they are substantially invested
FCA	Financial Conduct Authority
FIT	The Feed-in Tariff
The Law	The Companies (Jersey) Law 1991
NAV	Net asset value
Ordinary shares	The ordinary share capital of GCP Infrastructure Investments Limited
PF2	Private Finance 2
RHI	The Renewable Heat Incentive
ROCs	Renewable Obligation Certificates
The subsidiary	GCP Infrastructure Asset Holdings Limited (formerly GCP Infrastructure Fund Limited)

Advisers and principal service providers

Investment Adviser	Gravis Capital Partners LLP
Custodian	Capita Trust Company (Jersey) Limited
Advisers on Jersey Law	Carey Olsen
Auditors	Ernst & Young LLP
Administrator and Company Secretary	Capita Financial Administrators (Jersey) Limited
Valuation Agent	Mazars LLP

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