GCP Infrastructure Investments Limited

Half Yearly Financial Report and Unaudited Consolidated Financial Statements
for the six month period to 31 March 2012

GCP

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Company Information

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* authorised and regulated by the Financial Services Authority.

Overview

For the period 1 October 2011 to 31 March 2012

- Declaration of interim dividend on 17 May 2012 of 3.7 pence per Ordinary Share for the six month period from 1 October 2011 to 31 March 2012 (the "period")
- Successful capital raise in December 2011 of £67.4 million (the "C Share Issue"), with £63.7 million raised through the placing and offer for subscription of Company C Shares (the "C Shares") and £3.6 million raised through the arrangements for switching*
- C Shares and new Ordinary Shares admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities on 22 December 2011
- Investment of substantially all of the proceeds from the C Share Issue in GCP Infrastructure Fund Limited (the "Master Fund") C Shares (the "Master Fund C Shares")
- Company holding 77.55% of the issued share capital in the Master Fund as at 31 March 2012; together, the Company and the Master Fund form the "Group"
- Investments of £39.0 million made by the Master Fund during the period
- Further investments of £27.3 million made by the Master Fund post period end, triggering conversion of C Shares into Ordinary Shares which were admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities on 8 May 2012
- Two investments in late stage due diligence expected to complete shortly resulting in the Master Fund being substantially fully invested.
- Third party valuation of the Master Fund's investment portfolio of £106.9 million as at 31 March 2012, of which the Company's share totals £82.9 million
- Master Fund investment portfolio performing in line with expectations, with loan interest payments all received in full and underlying infrastructure assets reporting no material operational issues
- Net asset value ("NAV") of 100.9 pence per Ordinary Share and 98.30 pence per C Share as at 30 March 2012
- Total comprehensive income for the period of £1.7 million

* Based upon the NAVs of the Master Fund Ordinary Income Shares, Master Fund Ordinary Accumulation Shares and the Company's Ordinary Shares as at 16 December 2011 of 102.51 pence, 114.40 pence and 98.61 pence respectively

Chairman's Statement

Introduction

On behalf of the Board, I am pleased to report a period of steady growth for the Company and the Group.

One of the most significant challenges facing investors in the current economic environment is 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 to address these issues, drawing comfort from investments that benefit from the security and predictability of public sector-backed, inflation linked cash flows whilst producing yields considerably in excess of government bonds.

Widespread support for the Company's £67.4 million capital raise in December 2011 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. Consistent investor demand for the Company's shares resulted in both the Ordinary Shares and C Shares trading at a premium to net asset value throughout the period.

Deployment of the capital raised has proceeded as expected, with £66.3 million invested during the period and since the period end resulting in the conversion of the C Shares into Ordinary Shares on 8 May 2012. The swift investment of the capital is a reflection 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 the banking sector's increasing reluctance or inability to make long-dated loans means the Master Fund will remain well placed to take advantage of future investment opportunities.

Group update

Substantially all of the £67.4 million raised by the Company through the C Share Issue and arrangements for switching was invested directly in the Master Fund. The Master Fund made investments of £39.0 million during the period and a further £27.3 million after the period end. These further investments triggered the conversion of the Company C Shares into Ordinary Shares on 8 May 2012. The Investment Adviser is continuing to progress due diligence on a number of transactions in order to deploy the small amount of remaining uninvested capital.

The Group's investment portfolio as at the period end consists of 22 infrastructure loans with a value of £106.9 million secured against the cash flows of a wide variety of UK 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.

Market Overview

The infrastructure sector has attracted considerable attention during the period. In his Autumn Statement, Rt Hon. George Osborne MP, The Chancellor of the Exchequer, identified almost £250 billion of infrastructure assets to be built over the next decade. He outlined his plans to finance the construction by raising £150 billion from the private sector, and made clear his hope that the pension fund industry could be persuaded to contribute a material proportion of this capital. Although it seems clear that after 17 years the government plans to cease using PFI as an infrastructure procurement methodology, no details have emerged regarding a replacement structure. With the pension fund industry moving cautiously at best and the continuing lack of long-dated infrastructure lenders, there are significant uncertainties surrounding both the structure and financing of future UK infrastructure projects.

In October 2011, the Department of Energy and Climate Change issued a consultation that outlined proposed changes to the FIT payments for solar installations installed after 12 December 2011. This prompted a four month legal battle that culminated on 23 March 2012 with the Supreme Court dismissing the government's appeal against a previous ruling that deemed its controversial changes as unlawful. The decision confirmed that solar installations completed between 12 December 2011 and 4 March 2012 would receive the original 43p/kWh rate, rather than the 21p/kWh rate proposed by the government.

Gearing

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 which is limited to a maximum of £7 million (the "Facility Amount") and can be used to finance investments by the Master Fund.The RBSI facility was subsequently repaid in full on 16 May 2012. The Facility Amount remains available for funding future investment opportunities. The Master Fund is currently exploring the possibility of increasing the Facility Amount with RBSI.

Financial Results

On a consolidated IFRS basis, the total comprehensive income for the period was £1.7 million.

Distributions

The Company paid a distribution of 3.0 pence per share for the six month period from 1 April 2011 to 30 September 2011. The Company declared on 17 May 2012 a dividend of 3.7 pence per Ordinary Share for the six month period from 1 October 2011 to 31 March 2012.

On 17 May 2012 the Company announced that it will now offer a scrip dividend alternative under which shareholders may elect to receive new ordinary shares in lieu of the cash dividend. A circular and form of election in respect of the dividend declared on 17 May 2012 will be sent to shareholders on or around 31 May 2012.

NAV and share price

The Company's share price has traded at a premium to net asset value throughout the period. The Company's share price and net asset value per Ordinary Share as at the last business day prior to the period end, being 30 March 2012 were 105.63 pence and 100.90 pence respectively. The Company's net asset value per C Share as at 30 March 2012 was 98.30 pence.

As at 30 March 2012 the net asset value per Master Fund Ordinary Income Share and Ordinary Accumulation Share were 105.06 pence and 117.24 pence respectively. The net asset value per Master Fund C Share was 100.45 pence per share.

As at 30 April 2012 the Company's share price and net asset value per Ordinary Share were 105.38 pence and 101.51 pence respectively. The Company's net asset value per C Share as at 30 April 2012 was 98.58 pence.

As at 30 April 2012 the value of the investments of the Master Fund exceeded 90 per cent of the net asset value of the Master Fund and therefore in accordance with the terms of the Company's C Share Prospectus dated 22 November 2011 (the "C Share Prospectus"), the Directors determined that the Calculation Time for the conversion of C Shares into Ordinary Shares was 30 April 2012.

On 8 May 2012, the C Shares were converted to 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.

Principal Risks and Uncertainties

The Board believes that the principal risks and uncertainties remain unchanged from those stated on pages 21 and 22 of the Company's published Annual Report for the period to 30 September 2011 (available on the website) and the last Company's C Share Prospectus (also available on the website).

Mr. Ian Reeves CBE

Investment Adviser's Report

The Group's Investment Strategy

The Company makes infrastructure investments by gaining exposure to infrastructure debt and/or similar instruments issued by single purpose, ring-fenced companies in receipt of pre-determined, long-term, public sector-backed cash flows. It achieves this by investing substantially all its capital in the Master Fund. It is the view of the Investment Adviser that once an 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 infrastructure investments after the design and build phases have been completed and the assets are operational.

The Master Fund may also consider, up to an absolute maximum of 25% 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 and Master Fund's investment objective and policy are included on page 17 of the Annual Report.

Current Investment Focus

We are currently exploring a variety of investment options that meet the Master Fund's investment policy and return requirements.

i) UK Private Finance Initiative ("PFI")

The Master Fund continues to target exposure to projects structured and financed under the UK PFI. PFI was introduced in the UK in the mid 1990's to provide the Government with a way of funding major capital investment in infrastructure assets such as schools, hospitals, prisons and court buildings, without immediate use of public sector capital, and to provide a mechanism whereby the private sector could bear a proportion of the risks associated with constructing and maintaining such assets.

In a typical UK PFI project, a private company (the "PFI Project Company") is contracted by a public sector entity (for example, a local authority in the case of schools, an NHS Trust in the case of hospitals) to design, finance, build and manage new infrastructure assets.

Once the infrastructure asset is built, the management contract between the public sector entity and the PFI Project Company typically lasts for 20 to 30 years, during which time the PFI Project Company operates the asset for the relevant public sector entity, and the public sector entity pays the PFI Project Company a fixed series of payments (in many cases these payments are linked to inflation).

The Master Fund primarily seeks to acquire subordinated debt issued by operational PFI Project Companies, or their owners. However, the Master Fund also looks for opportunities to generate exposure to portfolios of senior debt advanced to PFI Project Companies.

ii) Renewable energy schemes

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 has been introduced by the government in order to increase the country's use of renewable energy. Most notable from the perspective of the Master Fund is the Feed-in Tariff ("FIT") scheme that was introduced by the Government on 1 April 2010 with the aim of incentivising primarily small scale renewable electricity generation schemes. The FIT is paid by electricity supply companies, but the costs are recovered through levies on electricity bills. Electricity generated from certain specified renewable sources in specified installation sizes qualifies for the FIT, and the owner of the system receives a guaranteed payment for every kWh of electricity generated, plus a further payment for every kWh not used but exported to the grid. The FIT rates are linked to inflation.

The almost complete lack of term lenders to the sector (FIT cash flows are contracted for 25 years), has meant that we have seen the emergence of a significant pipeline of suitable debt investment opportunities for the Master Fund in this area. Indeed in light of the lack of available debt finance from banks, the Master Fund has been able to advance debt on a senior basis.

Market Updates

i) PFI

In his Autumn Statement, Rt Hon. George Osborne MP, The Chancellor of the Exchequer, said he had identified over five hundred new infrastructure projects that he would like to see built over the next decade at a cost of about £250 billion. The government also announced that it intends to raise two-thirds of the total infrastructure spend in the UK in the period 2012-2015 from the private sector. Given the continuing and increasing reluctance of the banking market to finance long dated infrastructure projects, Osborne has turned to pension funds in the hope that they will play an active and direct role in funding such expenditure. Osborne's plan appears to be to replace the private finance initiative with the pensions finance initiative.

Although the long-dated, secure, inflation-linked returns available on UK infrastructure investments suit the return requirements of pension funds, the devil will be in the detail of such a proposal. It remains unclear at what stage in the development of an infrastructure asset the pension funds will invest, whether the pension funds will be asked to provide debt or equity, what risks the government will be willing to guarantee and finally how the European Commission's plans to bring pension regulations in line with solvency regulation (Solvency II) will affect the ability of pension funds to fund infrastructure projects.

These questions alone suggest that a finalised and agreed structure for broad pension fund investment is some way off. As such, the Master Fund remains very well placed to continue to take advantage of its position as one of the very few specialist providers of long term debt financing to UK infrastructure projects.

Investment Adviser's Report *(continued)*

ii) Feed-in Tariff

In October 2011, the Department of Energy and Climate Change issued a consultation that outlined proposed changes to the feed-in tariff payments for solar installations installed after 12 December 2011. The eventual outcome following a four month legal battle was that residential solar installations completed between 12 December 2011 and 4 March 2012 would receive the original 43p/kWh rate, rather than the 21p/kWh rate proposed by the government.

The Master Fund has to date only made loans secured against solar panels installed pre 4 March 2012, all of which generate the higher 43p/kWh rate.

iii) Debt Markets

The majority of banks, with the exception of a very few European and Japanese banks, remain reluctant to advance any form of longer term debt. The financing of infrastructure assets now regularly includes significant margin step up terms that heavily incentivise borrowers to refinance in the medium term. The bond markets remain largely closed and, as mentioned above, it is the pension funds that are being encouraged by the government to fill the void in the long dated debt market. Numerous unlisted infrastructure debt funds have been on the road trying to raise capital, but with limited success.

All in all, the significant dearth of long dated debt providers persists, and as such the Master Fund's offering of long dated, fixed interest, debt financing remains, in the view of the Investment Adviser, an attractive option for many holders of operational infrastructure assets and infrastructure senior debt.

Portfolio Overview

i) Acquisitions

During the period, the Master Fund made five investments totalling £39.0 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% annual equivalent whilst benefitting from an element of inflation protection. £11.5 million has been drawn down to date, and it is not expected that there will be any further drawings. The ASG1 Loans are secured on a senior basis against the cash flows arising under the 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 6 October 2011, the Master Fund advanced a further loan of £462,000 in respect of subordinated loan notes totalling £26 million secured against the cash flows arising from a portfolio of 3 healthcare and 2 accommodation UK PFI projects principally owned by UME Group LLP. The loans have an average life of 26 years and a return of 9.59% p.a. annual equivalent.

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% p.a. 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% annual equivalent whilst benefitting from an element of inflation protection. £14.5 million has been drawn down to date, and it is not expected that there will be any further drawings. The ASG2 Loans are secured on a senior basis against the cash flows arising under the FIT scheme from a portfolio of up to 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 30 March 2012 the Master Fund advanced a £2.19 million loan to Infrastructure Intermediaries No. 1 Limited (the "II1 Loan"). The II1 Loan will be secured on a subordinated basis against an education PFI project in Scotland. The II1 Loan will have a term of c. 27 years and generate a return of c. 9.5% annual equivalent.

Subsequent to the period end, the Master Fund advanced a loan of £14.4 million secured on a senior basis against the FIT cash flows generated by a solar farm in Wales, a loan of £11.3 million secured on a subordinated basis against a portfolio of healthcare and judicial PFI projects, and a loan of £1.6 million secured on a subordinated basis against a healthcare PFI asset.

ii) Portfolio exposure

As at 31 March 2012, the Group's investment portfolio consists of 22 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").

32% of the Loans are exposed to the healthcare sector, 25% to the education sector, 25% to FIT cash flows, 11% to the leisure sector, 7% to accommodation assets and the remainder to street lighting and housing projects. The weighted average annualised yield and expected remaining term of the Loans is 9.7% and twenty three years respectively. The valuation of the Company's exposure to the Loans is £87.44 million (based on a valuation carried out by Mazars LLP, the Valuation Agent, as at 31 March 2012) and reflects a weighted average discount rate across the portfolio of Loans of c. 9.6%.

iii) Performance

None of the Projects have reported any material operational performance issues during the period and, to date, all interest payments due under the Loans have been received in full.

Investment Adviser's Report *(continued)*

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 are 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 31 March 2012 was £106.9 million. The discount rates used by the Valuation Agent to value the Company's investments range between 8.82% and 10.35%, with a weighted average discount rate across the portfolio of 9.59%.

Investment pipeline

The deployment of the capital raised in December 2011 has proceeded as expected with c. 75% invested at 31 March 2012. Further completed transactions post period end and two smaller PFI debt deals in late stage due diligence will result in the Master Fund being substantially fully invested within the next couple of months.

Furthermore, we continue to actively source and develop an investment pipeline. The secondary market for UK PFI assets remains active, both for the larger, widely marketed transactions and smaller off-market deals. Despite the cuts in feed-in tariff rates, by working with the more cost effective installers, opportunities to lend at the Master Fund's target rates still exist. 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 financial position 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.

Group Portfolio
As at 31 March 2012

Asset	Asset type	Sector	Value* (£m)	Expected Remaining Term (yrs)	Annualised yield (%)
Education PFI	Subordinated loan	Education	10.60	24	9.2
GEM B1	Senior loan guarantee	Various**	3.07	8	9.8
GEM B2	Senior loan guarantee	Various**	3.08	8	9.8
GEM B3	Senior loan guarantee	Various**	3.06	8	9.8
GEM B4	Senior loan guarantee	Various**	2.69	8	9.8
GEM B5	Senior loan guarantee	Various**	2.37	8	9.8
GPFI Braintree	Subordinated loan	Healthcare	3.10	27	9.6
GPFI Lanchester	Subordinated loan	Healthcare	3.10	27	9.6
GPFI Runwell	Subordinated loan	Healthcare	3.10	27	9.6
GPFI Stanley	Subordinated loan	Healthcare	3.10	27	9.6
GPFI N Yorks Schools	Subordinated loan	Education	1.85	27	9.6
Infra Inter 1 A	Subordinated loan	Healthcare	7.78	28	9.6
Infra Inter 1 B	Subordinated loan	Healthcare	8.12	21	9.6
Infra Inter 1 C	Subordinated loan	Various***	11.03	27	9.6
Infra Inter 1 D	Subordinated loan	Education	2.19	26	9.3
Infra Inter 2 - Ords	Senior loan	Feed-in tariff	8.23	23	9.5
Infra Inter 2 - C Share	Senior loan	Feed-in tariff	3.56	23	9.5
Infra Inter 3	Senior loan	Feed-in tariff	14.62	24	9.5
Kirklees	Subordinated loan	Education	2.39	20	9.6
LIIL Wolverhampton	Subordinated loan	Leisure	2.48	24	10.5
LIIL Amber Valley	Subordinated loan	Leisure	4.17	27	10.5
LIIL Rotherham	Subordinated loan	Leisure	3.17	29	10.5
Total			**106.86**		

* based on the Valuation Agent's valuation as at 31 March 2012
** 1 leisure, 1 street lighting, 1 housing, 1 health and 10 education projects
*** 1 healthcare and 2 accommodation projects

Group Portfolio *(continued)*
As at 31 March 2012

Total Exposure by Sector	£	%
Healthcare	33,731,906	31.6
Education	26,516,136	24.8
Feed-in tariff	26,403,650	24.7
Leisure	11,500,630	10.8
Accommodation	7,411,746	6.9
Housing	726,426	0.7
Street lighting	565,853	0.5
Total	**106,856,347**	**100.0**

Top Ten Exposures by Project Counterparty	£	%
Dept. of Energy and Climate Change (E.ON Energy Ltd)	26,403,650	24.7
Slough Borough Council	10,595,296	9.9
South London Healthcare NHS Trust	8,115,791	7.6
NHS Greater Glasgow and Clyde	7,784,353	7.3
Hertfordshire County Council	4,745,823	4.4
Amber Valley Borough Council	4,170,911	3.9
Hull Primary Care Trusts	3,619,891	3.4
Leeds City Council	3,367,515	3.2
Rotherham Metropolitan Borough Council	3,167,781	3.0
South Essex Partnership University NHS Foundation Trust	3,101,187	2.9
18 other Project Counterparties with exposure < £3.1m	31,784,149	29.7
Total	**106,856,347**	**100.0**

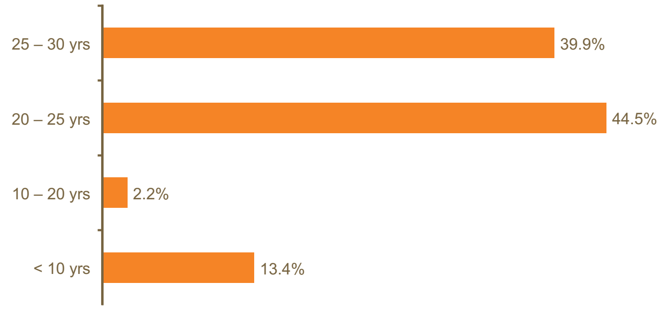
Top Ten Exposures by Facilities Manager	£	%
A Shade Greener Limited	26,403,650	24.7
Grosvenor Facilities Management	14,256,205	13.3
Pinnacle FM Limited	12,983,815	12.2
GE Medical Systems Limited	8,115,791	7.6
Parsons Brinckerhoff Limited	7,784,353	7.3
EMCOR Facilities Services	5,649,209	5.3
Community Building Services Limited	4,745,823	4.4
DC Leisure Management	4,170,911	3.9
Sewells Facilities Management Limited	3,619,891	3.4
Interserve FM Ltd	3,367,515	3.2
12 other Facilities Managers with exposure < £3.2m	15,759,184	14.7
Total	**106,856,347**	**100.0**

Total Exposure by Expected Term	£	%
< 10 yrs	14,273,776	13.4
10 – 20 yrs	2,388,519	2.2
20 – 25 yrs	47,596,166	44.5
25 – 30 yrs	42,597,886	39.9
Total	**106,856,347**	**100.0**

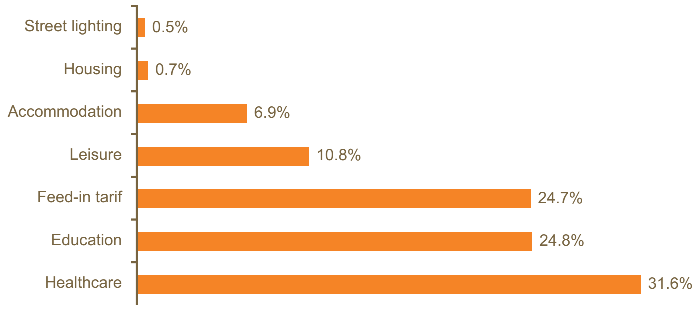
Total Exposure by Annual Equivalent Running Yield	£	%
9.0% – 9.5%	12,782,296	12.0
9.5% – 10.0%	84,253,931	78.8
10.0% – 10.5%	9,820,120	9.2
Total	**106,856,347**	**100.0**

Group Portfolio *(continued)*
As at 31 March 2012

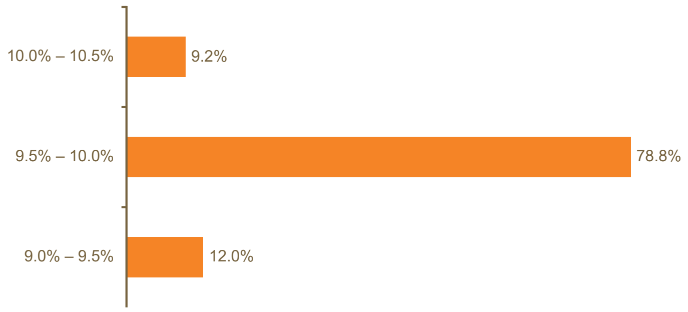
Portfolio Exposure by Expected Term



Portfolio Exposure by Sector



Porfolio Exposure by Annualised Yield



Financial Statistics

For the period 1 October 2011 to 31 March 2012

Detailed below is the net asset value (NAV) of the Company, calculated in accordance with the Company's Prospectus dated 28 June 2010 (the "Prospectus").

A reconciliation of the net asset value per the consolidated financial statements to the calculation in accordance with the Prospectus is detailed in Note 21.

Period/Year end position

	As at 31 March 2012 £	As at 30 September 2011 £
Net assets attributable to Ordinary Shares per NAV calculation	48,090,379	44,156,803
Net asset value per Ordinary Share per NAV calculation	1.0090	1.0037
Total return per share per NAV calculation	0.0053	0.0482

	As at 31 March 2012 £
Net assets attributable to C Shares per NAV calculation	62,663,614
Net asset value per C Share per NAV calculation	0.9830
Total return per share per NAV calculation	(0.0170)

Record since prior accounting period

Ordinary Shares Date	Net Assets £	Net Asset Value per Ordinary Share pps	Share Price pps	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

Financial Statistics *(continued)*
For the period 1 October 2011 to 31 March 2012

Record since prior accounting period *(continued)*

C Shares Date	Net Assets £	Net Asset Value per C Share pps	Share Price pps	Premium %
31 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

Key Performance Indicators

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

Statement of Directors' Responsibilities

For the period 1 October 2011 to 31 March 2012

The Directors are responsible for preparing the Half Yearly Financial 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 period 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 and apply accounting policies;
- 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 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.

On behalf of the Board
Mr David Pirouet
25 May 2012

Unaudited Consolidated Statement of Financial Position

As at 31 March 2012

Ordinary Share Class Fund	Notes	As at 31 March 2012 £	As at 30 September 2011 £
Assets			
Cash and cash equivalents	15	2,802,535	9,220,402
Amounts receivable on subscription of Master Fund Ordinary Income and Accumulation Shares		194,622	1,074,987
Other receivables and prepayments	11	149,590	107,730
Amounts held on Security Account	16	2,190,674	2,377,807
Financial assets at fair value through profit or loss	19	86,495,111	67,174,003
Total Assets		**91,832,532**	**79,954,929**
Liabilities			
Amounts payable on redemption of Master Fund Ordinary Income and Accumulation Shares		(64,308)	(521,151)
Distribution payable to non controlling interest		–	(681,168)
Interest bearing loans and borrowings	13	(7,000,000)	–
Other payables and accrued expenses	12	(504,065)	(442,993)
Amounts held on Security Account	16	(2,190,674)	(2,377,807)
Financial liabilities at fair value through profit or loss	19	(34,022,950)	(31,833,570)
Total Liabilities		**(43,781,997)**	**(35,856,689)**
Net assets		**48,050,535**	**44,098,240**
Capital and Reserves			
Share Capital	14	476,570	439,960
Share Premium	14	47,274,474	43,700,960
Retained earnings		299,491	(42,680)
Total Capital and Reserves		**48,050,535**	**44,098,240**

The accompanying notes on pages 30 to 67 form an integral part of these unaudited consolidated financial statements.

Unaudited Consolidated Statement of Financial Position *(continued)*
As at 31 March 2012

C Share Class Fund	Notes	As at 31 March 2012 £
Assets		
Cash and cash equivalents	15	42,466,397
Other receivables and prepayments	11	53,511
Financial assets at fair value through profit or loss	19	20,361,236
Total Assets		**62,881,144**
Liabilities		
Other payables and accrued expenses	12	(213,317)
Total Liabilities		**(213,317)**
Net assets		**62,667,827**
Capital and Reserves		
Share Capital	14	637,445
Share Premium	14	63,107,055
Retained earnings		(1,076,673)
Total Capital and Reserves		**62,667,827**

The accompanying notes on pages 30 to 67 form an integral part of these unaudited consolidated financial statements.

Unaudited Consolidated Statement of Financial Position *(continued)*
As at 31 March 2012

Group	Notes	As at 31 March 2012 £	As at 30 September 2011 £
Assets			
Cash and cash equivalents		45,268,932	9,220,402
Amounts receivable on subscription of Master Fund Ordinary Income and Accumulation Shares		194,622	1,074,987
Other receivables and prepayments		203,101	107,730
Amounts held on Security Account	16	2,190,674	2,377,807
Financial assets at fair value through profit or loss		106,856,347	67,174,003
Total Assets		**154,713,676**	**79,954,929**
Liabilities			
Amounts payable on redemption of Master Fund Ordinary Income and Accumulation Shares		(64,308)	(521,151)
Liability to the C Share Class Fund		(62,667,827)	–
Distribution payable to non controlling interest		–	(681,168)
Interest bearing loans and borrowings	13	(7,000,000)	–
Other payables and accrued expenses		(717,382)	(442,993)
Amounts held on Security Account	16	(2,190,674)	(2,377,807)
Financial liabilities at fair value through profit or loss	19	(34,022,950)	(31,833,570)
Total Liabilities		**(106,663,141)**	**(35,856,689)**
Net assets		**48,050,535**	**44,098,240**
Capital and Reserves			
Share Capital	14	476,570	439,960
Share Premium	14	47,274,474	43,700,960
Retained earnings		299,491	(42,680)
Total Capital and Reserves		**48,050,535**	**44,098,240**

On behalf of the Board of Directors

Mr. David Pirouet　　Mr. Trevor Hunt

Date: 25 May 2012

The accompanying notes on pages 30 to 67 form an integral part of these unaudited consolidated financial statements.

Unaudited Consolidated Statement of Comprehensive Income

For the period 1 October 2011 to 31 March 2012

Ordinary Share Class Fund	Notes	Period ended 31 March 2012 £	Period ended 31 March 2011 £
Income			
Deposit interest income		20,245	128,010
Net movement on financial assets and liabilities at fair value through profit or loss	3	2,608,250	2,756,593
		2,628,495	**2,884,603**
Expense			
Investment Advisory fees	20	(456,780)	(68,073)
Custodian fees	20	(12,143)	(12,447)
Administration fees	20	(70,715)	(100,959)
Directors' remuneration	5	(59,097)	(89,510)
Set up costs		–	(827,201)
Other general expenses	4	(248,454)	(278,822)
		(847,189)	**(1,377,012)**
Total operating profit before finance costs		**1,781,306**	**1,507,591**
Finance costs			
Interest expense	7	(119,255)	–
Distributions to non controlling interest	18	–	(1,178,976)
Profit for the period		**1,662,051**	**328,615**
Other Comprehensive income		–	–
Total Comprehensive income		**1,662,051**	**328,615**
Total Comprehensive income attributable to the Ordinary Share Class Fund		**1,662,051**	**328,615**
Earnings per Ordinary share (pps)	9	**3.6119**	**0.7908**

The accompanying notes on pages 30 to 67 form an integral part of these unaudited consolidated financial statements.

Unaudited Consolidated Statement of Comprehensive Income *(continued)*

For the period 1 October 2011 to 31 March 2012

C Share Class Fund	Notes	Period ended 31 March 2012 £
Income		
Deposit interest income		123,839
Net movement on financial assets and liabilities at fair value through profit or loss	3	294,783
		418,622
Expense		
Investment Advisory fees	20	(29,406)
Custodian fees	20	(5,117)
Administration fees	20	(30,302)
Directors' remuneration	5	(23,115)
Set up costs		(1,337,150)
Other general expenses	4	(70,205)
		(1,495,295)
Total operating loss for the period		**(1,076,673)**
Other Comprehensive income		–
Total Comprehensive loss		**(1,076,673)**
Total Comprehensive loss attributable to the C Share Class Fund		**(1,076,673)**
Earnings per C share (pps)	9	**(1.6890)**

The accompanying notes on pages 30 to 67 form an integral part of these unaudited consolidated financial statements.

Unaudited Consolidated Statement of Comprehensive Income *(continued)*

For the period 1 October 2011 to 31 March 2012

Group	Notes	Period ended 31 March 2012 £	Period ended 31 March 2011 £
Income			
Deposit interest income		144,084	128,010
Net movement on financial assets and liabilities at fair value through profit or loss		3,979,706	2,756,593
		4,123,790	**2,884,603**
Expense			
Investment Advisory fees	20	(486,186)	(68,073)
Custodian fees	20	(17,260)	(12,447)
Administration fees	20	(101,017)	(100,959)
Directors' remuneration	20	(82,212)	(89,510)
Set up costs		(1,337,150)	(827,201)
Other general expenses		(318,659)	(278,822)
		(2,342,484)	**(1,377,012)**
Total operating profit before finance costs		**1,781,306**	**1,507,591**
Finance costs			
Interest expense	7	(119,255)	–
Distributions to non controlling interest	18	–	(1,178,976)
Profit for the period		**1,662,051**	**328,615**
Other Comprehensive income		–	–
Total Comprehensive income		**1,662,051**	**328,615**
Total Comprehensive income attributable to the Group		**1,662,051**	**328,615**

The accompanying notes on pages 30 to 67 form an integral part of these unaudited consolidated financial statements.

Unaudited Consolidated Statement of Changes in Equity

For the period 1 October 2011 to 31 March 2012

Ordinary Share Class Fund For the period 1 October 2011 to 31 March 2012	Notes	Share Capital £	Share Premium £	Retained Earnings £	Total equity attributable to owners of the Company £
Balance as at the beginning of the period		439,960	43,700,960	(42,680)	44,098,240
Profit for the period		–	–	1,662,051	1,662,051
Total Comprehensive Income		**–**	**–**	**1,662,051**	**1,662,051**
Equity shares issued	14	36,610	3,573,514	–	3,610,124
Distributions	8	–	–	(1,319,880)	(1,319,880)
As at 31 March 2012		**476,570**	**47,274,474**	**299,491**	**48,050,535**

Ordinary Share Class Fund For the period 21 May 2010 to 31 March 2011	Notes	Share Capital £	Share Premium £	Retained Earnings £	Total equity attributable to owners of the Company £
Profit for the period		–	–	328,615	328,615
Other Comprehensive Income		–	–	–	–
Total Comprehensive Income		**–**	**–**	**328,615**	**328,615**
Equity shares issued		425,100	42,190,000	–	42,615,100
Distributions	8	–	–	(913,750)	(913,750)
As at 31 March 2011		**425,100**	**42,190,000**	**(585,135)**	**42,029,965**

The accompanying notes on pages 30 to 67 form an integral part of these unaudited consolidated financial statements.

Unaudited Consolidated Statement of Changes in Equity *(continued)*
For the period 1 October 2011 to 31 March 2012

C Share Class Fund For the period 1 October 2011 to 31 March 2012	Notes	Share Capital £	Share Premium £	Retained Earnings £	Total equity attributable to owners of the Company £
Loss for the period		–	–	(1,076,673)	(1,076,673)
Other Comprehensive Income		–	–	–	–
Total Comprehensive Loss		**–**	**–**	**(1,076,673)**	**(1,076,673)**
Shares issued	14	637,445	63,107,055	–	63,744,500
As at 31 March 2012		**637,445**	**63,107,055**	**(1,076,673)**	**62,667,827**

The accompanying notes on pages 30 to 67 form an integral part of these unaudited consolidated financial statements.

Unaudited Consolidated Statement of Changes in Equity *(continued)*
For the period 1 October 2011 to 31 March 2012

Group For the period 1 October 2011 to 31 March 2012	Notes	Share Capital £	Share Premium £	Retained Earnings £	Total equity attributable to owners of the Company £
Balance as at the beginning of the period		439,960	43,700,960	(42,680)	44,098,240
Profit for the period		–	–	1,662,051	1,662,051
Other Comprehensive Income		–	–	–	–
Total Comprehensive Income		**–**	**–**	**1,662,051**	**1,662,051**
Equity shares issued	14	36,610	3,573,514	–	3,610,124
Distributions	8	–	–	(1,319,880)	(1,319,880)
As at 31 March 2012		**476,570**	**47,274,474**	**299,491**	**48,050,535**

Group For the period 21 May 2010 to 31 March 2011	Notes	Share Capital £	Share Premium £	Retained Earnings £	Total equity attributable to owners of the Company £
Profit for the period		–	–	328,615	328,615
Other Comprehensive Income		–	–	–	–
Total Comprehensive Income		**–**	**–**	**328,615**	**328,615**
Equity shares issued		425,100	42,190,000	–	42,615,100
Distributions	8	–	–	(913,750)	(913,750)
As at 31 March 2011		**425,100**	**42,190,000**	**(585,135)**	**42,029,965**

The accompanying notes on pages 30 to 67 form an integral part of these unaudited consolidated financial statements.

Unaudited Consolidated Statement of Cash Flow

For the period 1 October 2011 to 31 March 2012

Ordinary Share Class Fund	Notes	Period ended 31 March 2012 £	Period ended 31 March 2011 £
Cash flows from operating activities			
Total operating profit before finance costs		1,781,306	1,507,591
Net movement in financial assets at fair value through profit or loss	3	(558,608)	(596,469)
Net movement in financial liabilities at fair value through profit or loss	3	1,380,643	(356,678)
Increase in other payables and accrued expenses		45,365	13,538
Decrease/(increase) in trade and other receivables		1,173	(255,205)
Net cash flow generated from operating activities		**2,649,879**	**312,777**
Cash flows from investing activities			
Purchase of financial assets		(18,762,500)	(8,777,460)
Acquisition of subsidiary cash		–	548,582
Net cash flow used in investing activities		**(18,762,500)**	**(8,228,878)**
Cash flows from financing activities			
Proceeds from issue of Ordinary Share capital	14	36,610	425,000
Ordinary Share Premium received	14	3,573,514	42,190,000
Interest bearing loans and borrowings	13	7,000,000	–
Distributions paid		(1,319,880)	(913,750)
Net payment from/(repayment) to non controlling Interest		551,091	(9,291,906)
Distributions paid to non controlling Interest		–	(375,046)
Interest expense paid		(146,581)	–
Net cash flow generated from financing activities		**9,694,754**	**32,034,298**
Net (decrease)/increase in cash and cash equivalents		(6,417,867)	24,118,197
Cash and cash equivalents at beginning of the period		9,220,402	–
Cash and cash equivalents at end of the period		**2,802,535**	**24,118,197**
Non cash items			
(Decrease)/increase in amounts held on Security Account		(187,133)	2,581,292
Decrease/(increase) in amounts held on Security Account payable		195,000	(2,556,603)
Increase in interest held on Security Account payable		(7,867)	(24,689)
		–	–
Non cash items arising from switching shares			
Issue of share capital and share premium		3,610,128	10,159,112
Redemption of non controlling interests		(3,610,128)	(10,159,112)
		–	–
Net cash generated by operating activities includes:			
Interest received		20,245	124,721

The accompanying notes on pages 30 to 67 form an integral part of these unaudited consolidated financial statements.

Unaudited Consolidated Statement of Cash Flow *(continued)*
For the period 1 October 2011 to 31 March 2012

C Share Class Fund		Period ended 31 March 2012
Cash flows from operating activities	**Notes**	**£**
Total operating loss before finance costs		(1,076,673)
Net movement in financial assets at fair value through profit or loss	3	(152,186)
Increase in other payables and accrued expenses		213,317
Increase in trade and other receivables		(53,511)
Net cash flow used in operating activities		**(1,069,053)**
Cash flows from investing activities		
Purchase of financial assets		(20,209,050)
Net cash flow used in investing activities		**(20,209,050)**
Cash flows from financing activities		
Proceeds received from C Shareholders	14	63,744,500
Net cash flow generated from financing activities		**63,744,500**
Net increase in cash and cash equivalents		42,466,397
Cash and cash equivalents at beginning of the period		–
Cash and cash equivalents at end of the period		**42,466,397**
Net cash generated by operating activities includes:		
Interest received		123,839

The accompanying notes on pages 30 to 67 form an integral part of these unaudited consolidated financial statements.

Unaudited Consolidated Statement of Cash Flow *(continued)*

For the period 1 October 2011 to 31 March 2012

Group	Notes	Period ended 31 March 2012 £	Period ended 31 March 2011 £
Cash flows from operating activities			
Total operating profit before finance costs		1,781,306	1,507,591
Net movement in financial assets at fair value through profit or loss		(710,794)	(596,469)
Net movement in financial liabilities at fair value through profit or loss		303,970	(356,678)
Increase in other payables and accrued expenses		258,682	13,538
Increase in trade and other receivables		(52,338)	(255,205)
Net cash flow from operating activities		**1,580,826**	**312,777**
Cash flows from investing activities			
Purchase of Ordinary Share financial assets		(18,762,500)	(8,777,460)
Purchase of C Share financial assets		(20,209,050)	–
Acquisition of subsidiary cash		–	548,582
Net cash flow used in investing activities		**(38,971,550)**	**(8,228,878)**
Cash flows used in financing activities			
Proceeds from issue of Ordinary Share capital	14	36,610	425,000
Ordinary Share premium received	14	3,573,514	42,190,000
Proceeds received from C Shareholders	14	63,744,500	–
Interest bearing loans and borrowings	13	7,000,000	–
Distributions paid		(1,319,880)	(913,750)
Net payment from/(repayment) to non controlling interest		551,091	(9,291,906)
Distributions paid to non controlling interest		–	(375,046)
Interest expense paid		(146,581)	–
Net cash flow from financing activities		**73,439,254**	**32,034,298**
Net increase in cash and cash equivalents		36,048,530	24,118,197
Cash and cash equivalents at beginning of the period		9,220,402	–
Cash and cash equivalents at end of the period		45,268,932	24,118,197
Non cash items			
(Decrease)/increase in amounts held on Security Account		(187,133)	2,581,292
Decrease/(increase) in amounts held on Security Account payable		195,000	(2,556,603)
Increase in interest held on Security Account payable		(7,867)	(24,689)
		–	–
Non cash items arising from switching shares			
Issue of share capital and share premium		3,610,128	10,159,112
Redemption of non controlling interests		(3,610,128)	(10,159,112)
		–	–
Net cash generated by operating activities includes:			
Interest received		144,084	124,721

The accompanying notes on pages 30 to 67 form an integral part of these unaudited consolidated financial statements.

Notes to the Unaudited Consolidated Financial Statements

For the period 1 October 2011 to 31 March 2012

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").

The consolidated financial statements for the period ended 30 September 2011 were approved by the directors on 7 November 2011 and are available from the Company's secretary and on the Investment Adviser's website www.gcpuk.com/investor-relations. The auditor's report on these accounts was unqualified.

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 period as required by IFRS and as adopted by the European Union.

The Consolidated Statements of Financial Position present assets and liabilities in decreasing order of liquidity and do 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.

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 Income Shares and Ordinary Accumulation Shares of the Master Fund, equate to 22.45% of the total issued Ordinary Income and Ordinary Accumulation share capital of the Master Fund and are represented as financial liabilities at fair value through profit or loss within the Consolidated Statements of Financial Position. Liabilities arising from the Shares are carried at the redemption amount being the net asset value of the Master Fund at the Consolidated Statements of Financial Position date.

The net assets and results attributable to the Ordinary Shares and C Shares issued by the Company are reported separately throughout these financial statements, with the aggregated net assets and results presented as the 'Group'.

2.1 Basis of preparation *(continued)*

The assets attributable to the C Share Class Fund 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, the cash invested by the Company is managed by the Master Fund as a distinct pool of assets.

The C Share Class Fund has a 100% interest in the Master Fund C Share Class Fund. The net assets and results are consolidated accordingly.

Master Fund shareholders have the right to have their shares redeemed at a proportionate share based on the Master Fund's net asset value 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 of net asset value 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.

Changes to accounting standards and interpretations

The accounting policies adopted are consistent with those of the prior financial period 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 1 First-time adoption of International Financial Reporting Standards – replacing fixed dates for certain exemptions with the date of transition to IFRS and additional exemption for entities ceasing to suffer from severe hyperinflation
- 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 IFRSs

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

- IAS 12 Income Taxes – Limited scope amendment (recovery of underlying assets) (effective for annual periods beginning on or after 1 January 2012)
- IAS 1 Presentation of Financial Statements – amendments to revise the way other comprehensive income is presented (effective for annual periods beginning on or after 1 July 2012)

Notes to the Unaudited Consolidated Financial Statements *(continued)*
For the period 1 October 2011 to 31 March 2012

2.1 Basis of preparation *(continued)*

Changes to accounting standards and interpretations *(continued)*

- IFRS 10 Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2013)
- IFRS 11 Joint Arrangements (effective for annual periods beginning on or after 1 January 2013)
- IFRS 12 Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2013)
- IFRS 13 Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013)
- IFRS 7 Financial Instruments: Disclosures – amendments enhancing disclosures about offsetting of financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2013 and interim periods within those periods)
- IFRIC 20 Stripping Costs in the Production of a Surface Mine (effective for annual periods beginning on or after 1 January 2013)
- IAS 19 Employee Benefits – amended standard (effective for annual periods beginning on or after 1 July 2013)
- IAS 27 Separate Financial Statements (as amended in 2011) – previously IAS 27 Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2013)
- IAS 28 Investments in Associates and Joint Ventures (as amended in 2011) – previously IAS 28 Investments in Associates (effective for annual periods beginning on or after 1 July 2013)
- IAS 32 Financial Instruments: Presentation – amendments to application guidance on the offsetting of financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2014)
- IFRS 9 Financial Instruments – Classification and Measurement (effective for annual periods beginning on or after 1 January 2015)
- IFRS 9 Financial Instruments – Accounting for financial liabilities and de-recognition (effective for annual periods beginning on or after 1 January 2015)
- IFRS 7 Financial Instruments: Disclosures – amendments requiring disclosures about the initial application of IFRS 9 (effective for annual periods beginning on or after 1 January 2015 or otherwise when IFRS 9 is first applied)

2.2 Significant accounting judgements and estimates

The preparation of consolidated financial statements in accordance with IFRS requires the Directors of the Group 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 could require a material adjustment to the carrying amount of the asset or liability affected 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 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 include debt instruments that are not held for trading. 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 and the C Share Prospectus. The financial information about the financial assets of the Group is 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 financial assets attributable to the Company's C Share Class Fund have been designated as a financial liability on the Group 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.

The outstanding Ordinary Income Shares and Ordinary Accumulation Shares of the Master Fund, equate to 22.45% 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 Statements of Financial Position. Liabilities arising from the Master Fund Shares are carried at the redemption amount being the Master Fund net asset value.

Notes to the Unaudited Consolidated Financial Statements *(continued)*
For the period 1 October 2011 to 31 March 2012

2.3 Summary of significant accounting policies *(continued)*

Financial Instruments *(continued)*

(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 and the C Share liability are recorded in the Consolidated Statements of Financial Position at fair value. All transaction costs for such instruments are recognised directly in the Consolidated Statements of Comprehensive Income.

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 Statements of Comprehensive Income.

The Group's existing financial liabilities at fair value through profit or loss are carried at fair value, being net asset 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.

The Group's liability to the C shareholders is also carried at fair value, being the net asset value on the Statement of Financial Position date of the C Share Class Fund. Any profits or losses relating to the C Share Class Fund are eliminated from the Group's total comprehensive income in the Statement of Comprehensive Income.

2.3 Summary of significant accounting policies *(continued)*

(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 period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends 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, reference 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) Distributions to shareholders

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

Notes to the Unaudited Consolidated Financial Statements *(continued)*

For the period 1 October 2011 to 31 March 2012

2.3 Summary of significant accounting policies *(continued)*

(g) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statements of Financial Position and Consolidated Statements 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) Deposit interest revenue and expense

Interest revenue and expense are recognised in the Consolidated Statements of Comprehensive Income for all interest-bearing financial instruments using the effective interest method.

(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 excludes dividend income and expense.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior periods’ unrealised gains and losses for financial instruments which were realised in the reporting period.

(j) Fees and commissions

Unless included in the effective interest calculation, fees and commissions are recognised on an accrual basis. Legal and audit fees are included within ‘other general expenses’.

(k) Loans and borrowings

Loans and borrowings in the Consolidated Statements of Financial Position consist of a £7 million revolving credit facility held with Royal Bank of Scotland International Limited (RBSI). The facility is measured at fair value, being the full amount repayable to RBSI. The accrued interest and fees payable relating to the facility are recognised in other payables and accrued expenses on the face of the Consolidated Statements of Financial Position.

(l) Interest expense

Interest expense in the Consolidated Statements of Comprehensive Income comprise of loan arrangement and commitment fees which are expensed in the period they occur and interest accrued on the credit facility incurred in connection with the borrowing of funds by the Master Fund.

(m) Distributions to non controlling interest

Distributions are recognised in the Consolidated Statements of Comprehensive Income in the period they fall due and are in relation to distributions payable by the Master Fund to the non controlling interest (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. The distributions are paid in May and November.

2.3 Summary of significant accounting policies *(continued)*

(n) Share Capital

The issued share capital of the Company comprises of Ordinary Shares and C Shares.

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 Fund's 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 Fund's net assets.
- 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 Fund over the life of the instrument.

The C Shares 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 Fund's 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.
- 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 Fund 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.
- The effect of substantially restricting or fixing the residual return to the redeemable shareholders.

The Company continually assesses 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, the Company will reclassify them as financial liabilities and measure them 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, the Company will reclassify them as equity instruments and measure them 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 C Shares as liability transactions.

Notes to the Unaudited Consolidated Financial Statements *(continued)*

For the period 1 October 2011 to 31 March 2012

2.3 Summary of significant accounting policies *(continued)*

Upon issuance of shares, the consideration on the Ordinary Shares received is included in equity and the consideration on the C Shares 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 Statements 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 which is divided between the Ordinary Shares and Ordinary C Class Shares in accordance with the rights of each share class. 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 net assets and results attributable to the Ordinary Shares and Ordinary C Class Shares issued by the Company are reported separately throughout these financial statements, with the aggregated net assets and results presented as the 'Group'.

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.

Ordinary Shares	31 March 2012 £	31 March 2011 £
Channel Islands	20,245	128,010
United Kingdom	2,608,250	2,756,593
Total	**2,628,495**	**2,884,603**

C Shares	31 March 2012 £
Channel Islands	123,839
United Kingdom	294,783
Total	**418,622**

3. Segment Information *(continued)*

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

Ordinary Shares	31 March 2012 £	31 March 2011 £
Cash and cash equivalents	20,245	128,010
Financial assets and liabilities at fair value through profit or loss	2,608,250	2,756,593
Total	**2,628,495**	**2,884,603**

C Shares	31 March 2012 £
Cash and cash equivalents	123,839
Financial assets at fair value through profit or loss	294,783
Total	**418,622**

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

Ordinary Shares	31 March 2012 £	31 March 2011 £
Arrangement fee income	372,747	175,000
Fixed interest income	3,057,538	1,628,446
Net movement in financial assets at fair value through profit or loss	558,608	596,469
Net movement in financial liabilities at fair value through profit or loss	(1,380,643)	356,678
Total	**2,608,250**	**2,756,593**

C Shares	31 March 2012 £
Arrangement fee income	142,597
Net movement in financial assets at fair value through profit or loss	152,186
Total	**294,783**

Notes to the Unaudited Consolidated Financial Statements *(continued)*
For the period 1 October 2011 to 31 March 2012

4. Other general expenses

Ordinary Shares	31 March 2012 £	31 March 2011 £
Audit fees	14,532	41,027
Brokers fees	–	32,688
Financial advisory fees	20,687	41,087
Legal & professional fees	110,979	58,010
Membership fees	1,511	–
Other expenses	24,791	51,916
Printing fees	4,374	8,103
Public relations fees	17,567	25,690
Receiving agents fees	9,873	6,932
Registrar’s fees	5,791	13,369
Valuation Agents fees	38,349	–
Total	**248,454**	**278,822**

C Shares	31 March 2012 £
Audit fees	5,468
Financial advisory fees	9,365
Legal & professional fees	35,151
Membership fees	685
Other expenses	6,250
Permit fees	235
Printing fees	1,620
Public relations fees	4,438
Receiving agents fees	1,559
Registrar's fees	2,433
Valuation Agents fees	3,001
Total	**70,205**

5. Directors remuneration

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

Ordinary Shares	31 March 2012 £	31 March 2011 £
Mr Ian Reeves CBE	12,493	25,593
Mr David Pirouet	9,910	17,219
Mr Trevor Hunt	9,052	17,219
Master Fund Directors' fees	25,490	28,576
Directors' expenses	1,597	903
Master Fund Directors' expenses	555	–
Total	**59,097**	**89,510**

C Shares	31 March 2012 £
Mr Ian Reeves CBE	5,913
Mr David Pirouet	4,746
Mr Trevor Hunt	4,353
Master Fund Directors' fees	8,103
Total	**23,115**

6. Taxation

Profits arising in the Group for the period from 1 October 2011 to 31 March 2012 will be subject to tax at the rate of 0%.

7. Interest expense

Ordinary Shares	31 March 2012 £	31 March 2011 £
Loan Arrangement fees	26,967	–
Loan Commitment fees	7,172	–
Loan Interest payable	85,116	–
Total	**119,255**	**–**

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.

Notes to the Unaudited Consolidated Financial Statements *(continued)*

For the period 1 October 2011 to 31 March 2012

8. Distributions

Total dividends per share at Company level for the period totalled 3.0 pence per share as follows:

Ordinary Shares	Pence	£
For the period from 1 April 2011 to 30 September 2011	3.0	1,319,880
	3.0	1,319,880

Ordinary Shares	Pence	£
For the period from 21 May 2010 to 30 September 2010	2.15	913,750
For the period from 1 October 2010 to 31 March 2011	2.30	977,500
	4.45	1,891,250

9. Earnings per share

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

	Profit £	Weighted average number of shares	31 March 2012 pence per share
Earnings per Ordinary Share (basic and diluted)	1,662,051	46,016,559	3.6119

	Profit £	Weighted average number of shares	31 March 2011 pence per share
Earnings per Ordinary Share (basic and diluted)	328,615	41,553,968	0.7908

	Loss £	Weighted average number of shares	to 31 March 2012 pence per share
Earnings per C Share (basic and diluted)	(1,076,673)	63,744,500	(1.6890)

9. Earnings per share *(continued)*

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:

Ordinary Shares	Shares in issue	Days	Weighted
As at 1 October 2011	43,996,000	82	19,714,055
As at 22 December 2011	47,657,012	101	26,302,504
Total at 31 March 2012		**183**	**46,016,559**

Ordinary Shares	Shares in issue	Days	Weighted
Issued upon the Company's admission to the London Stock Exchange (LSE)	40,000,000	88	11,174,603
As at 17 August 2010	41,000,000	52	6,768,254
As at 8 October 2010	42,500,000	175	23,611,111
Total at 31 March 2011		**315**	**41,553,968**

C Shares	Shares in issue	Days	Weighted
Issued on 22 December 2011 on admission to London Stock Exchange (LSE)	63,744,500	101	63,744,500
Total at 31 March 2012		**101**	**63,744,500**

Notes to the Unaudited Consolidated Financial Statements *(continued)*

For the period 1 October 2011 to 31 March 2012

10. Business combinations

The consolidated financial statements comprise the financial statements of the Company and its subsidiary, the Master Fund, for the period from 1 October 2011 to 31 March 2012.

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 period as the parent company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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.

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 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 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.

Upon launch of the C Share Class on 22 December 2011 the Company bought 62,307,530 Master Fund C Shares at a fair value of £62,307,530. On the same date the Company converted 3,661,012 Ordinary Shares at a fair value of 3,610,128 (£0.9861 per Ordinary Income Share) into Master Fund Ordinary Income Shares. At 31 March 2012, 100% of the Master Fund C Share capital is owned by the Company's C Share Class Fund.

10. Business combinations *(continued)*

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

Since 22 December 2011 the effective proportionate non controlling interest holdings of the Master Fund shares has decreased. As at 31 March 2012, the Company owned 77.55% of the issued share capital of the Master Fund, with a non controlling interest share of 22.45% 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

Ordinary Shares	31 March 2012 £	30 September 2011 £
Financial advisory fees	27,642	18,329
FSA fees	624	1,995
Interest receivable	107	176
Other expenses	9,442	20,604
Legal & Professional fees	65,130	65,130
Loan Arrangement fees	43,033	–
Membership fees	2,880	–
Permit fees	732	1,496
Total	**149,590**	**107,730**

C Shares	31 March 2012 £
Interest receivable	53,271
Other expenses	178
Permit fees	62
Total	**53,511**

Notes to the Unaudited Consolidated Financial Statements *(continued)*

For the period 1 October 2011 to 31 March 2012

12. Other payables and accrued expenses

Ordinary Shares	31 March 2012 £	30 September 2011 £
Administration fees	10,398	25,890
Audit fees	23,823	48,790
Custody fees	2,077	6,921
Directors' fees	20,526	28,356
Investment advisory fees	343,862	274,495
Loan Commitment fees	7,172	–
Loan Interest payable	8,535	–
Other expenses	1,905	3,538
Printing fees	1,657	11,800
Receiving agents fees	1,716	11,945
Registrars fees	15,911	3,125
Set up costs	11,502	11,502
Valuation agents fees	54,981	16,631
Total	**504,065**	**442,993**

C Shares	31 March 2012 £
Administration fees	8,766
Audit fees	5,468
Custody fees	1,591
Directors' fees	20,984
Financial advisory fees	9,365
Investment advisory fees	29,406
Other expenses	7,522
Permit fees	235
Printing fees	977
Receiving agents fees	1,559
Registrars fees	2,262
Set up costs	122,181
Valuation agents fees	3,001
Total	**213,317**

13. Interest bearing loans and borrowings

Ordinary Shares	31 March 2012	30 September 2011
RBSI Credit Facility	£	£
Drawn 14 November 2011	5,000,000	–
Drawn 31 January 2012	2,000,000	–
Total	**7,000,000**	**–**

On 11 November 2011, the Master Fund entered into a 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.

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% 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.

There are a number of financial covenants given by the Master Fund and which are tested by RBSI on a monthly basis. The Master Fund is required to maintain a minimum NAV of £50 million and hold a minimum of 10 assets which match the criteria for approved assets under the facility agreement. Further details are given in note 19.

Notes to the Unaudited Consolidated Financial Statements *(continued)*

For the period 1 October 2011 to 31 March 2012

14. Authorised and issued share capital

Share Capital	Number of shares	31 March 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
	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
	47,657,012	**476,570**
C Shares issued and fully paid		
Issued on 22 December 2011 and fully paid on admission to London Stock Exchange (LSE)	63,744,500	637,445
At 31 March 2012	**63,744,500**	**637,445**
Ordinary Shares Share Premium		
At 1 October 2011		43,700,960
Issued on 22 December 2011		3,573,514
		47,274,474
C Shares Share Premium		
Issued on 22 December 2011 on admission to London Stock Exchange (LSE)		63,107,055
		63,107,055

As at the start of the period, 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:

a) 300,000,000 Ordinary Shares of £0.01 each;
b) 100,000,000 C Shares of £0.01 each; and
c) 100,000,000 Deferred Shares of £0.01 each.

14. Authorised and issued share capital *(continued)*

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.

As at 31 March 2012 the Company's issued share capital comprised 47,657,012 Ordinary Shares and 63,744,500 C Shares, none of which were held in treasury.

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

The Ordinary Shares and C Shares 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 31 March 2012 there are no issued Deferred Shares.

15. Cash and Cash Equivalents

Ordinary Shares	31 March 2012 £	30 September 2011 £
Company cash and cash equivalents	382,872	407,098
Master Fund cash and cash equivalents	2,419,663	8,813,304
Total	**2,802,535**	**9,220,402**

C Shares	31 March 2012 £
Company cash and cash equivalents	236,803
Master Fund cash and cash equivalents	42,229,594
Total	**42,466,397**

Notes to the Unaudited Consolidated Financial Statements *(continued)*

For the period 1 October 2011 to 31 March 2012

16. Amounts held on Security Account

Ordinary Shares	31 March 2012 £	30 September 2011 £
Amounts held on Security Account payable	2,181,292	2,376,292
Interest payable on Security Account	9,382	1,515
Total	**2,190,674**	**2,377,807**

'Amounts held on Security Account' relates to a cash deposit of £2,190,674 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 Statements of Financial Position.

17. Group Contingent Liabilities

At 31 March 2012 there were no contingent liabilities (30 September 2011: nil).

18. Distributions to non controlling interest

The distributions payable for the period to the non controlling interest of the Group comprise of the following:

Ordinary Shares	31 March 2012 £	31 March 2011 £
Distributions in respect of non controlling interest Income Shares	–	756,675
Distributions in respect of non controlling interest Accumulation Shares	–	422,301
Total	**–**	**1,178,976**

19 Financial Risk, Management Objectives and Policies

The Company has an investment policy and strategy as summarised in its Prospectus 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.

19. Financial Risk, Management Objectives and Policies *(continued)*

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 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 31 March 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 Group's C Share liability is also carried at fair value, being the net asset value on the Statement of Financial position date of the C Share Class Fund. Any profits or losses relating to the C Share Class Fund are eliminated from the Group's total comprehensive income on the Statement of Comprehensive Income.

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 and the C Share Prospectus 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.

Notes to the Unaudited Consolidated Financial Statements *(continued)*
For the period 1 October 2011 to 31 March 2012

19. Financial Risk, Management Objectives and Policies *(continued)*

Fair Value (continued)

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

Ordinary Shares — As at 31 March 2012

Financial assets at fair value through profit or loss	Level 1 £	Level 2 £	Level 3 £	Total £
Subordinated loan notes	–	86,495,111	–	86,495,111
	–	86,495,111	–	86,495,111

Financial liabilities at fair value through profit or loss	Level 1 £	Level 2 £	Level 3 £	Total £
Non controlling interest	–	34,022,950	–	34,022,950
	–	34,022,950	–	34,022,950

Ordinary Shares — As at 30 September 2011

Financial assets at fair value through profit or loss	Level 1 £	Level 2 £	Level 3 £	Total £
Subordinated loan notes	–	67,174,003	–	67,174,003
	–	67,174,003	–	67,174,003

Financial liabilities at fair value through profit or loss	Level 1 £	Level 2 £	Level 3 £	Total £
Non controlling interest	–	31,833,570	–	31,833,570
	–	31,833,570	–	31,833,570

C Shares — As at 31 March 2012

Financial assets at fair value through profit or loss	Level 1 £	Level 2 £	Level 3 £	Total £
Subordinated loan notes	–	20,361,236	–	20,361,236
	–	20,361,236	–	20,361,236

During the period 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.

19. Financial Risk, Management Objectives and Policies *(continued)*

Fair Value (continued)

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.

Following the formation of the Master Fund, the Master Fund Directors agreed the valuation methodology to be used to value the investments of the Master fund. The Master Fund Directors reviewed 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.

Notes to the Unaudited Consolidated Financial Statements *(continued)*
For the period 1 October 2011 to 31 March 2012

19. Financial Risk, Management Objectives and Policies *(continued)*

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

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 period 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:

Ordinary Shares
31 March 2012

Change in discount rate	0.50%	0.25%	0%	(0.25%)	(0.50%)
Valuation of financial assets at fair value	83,151,350	84,793,613	86,495,111	88,258,636	90,087,133
Change in valuation of financial assets at fair value	(3,343,761)	(1,701,498)	-	1,763,525	3,592,022

19. Financial Risk, Management Objectives and Policies *(continued)*

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

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

C Shares
31 March 2012

Change in discount rate	0.50%	0.25%	0%	(0.25%)	(0.50%)
Valuation of financial assets at fair value	19,686,361	20,018,437	20,361,236	20,715,197	21,080,778
Change in valuation of financial assets at fair value	(674,875)	(342,799)	–	353,961	719,542

The Group recognises the non controlling interest and the Ordinary C Shares 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 and Ordinary C Share class Fund of the Master Fund respectively.

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.

Notes to the Unaudited Consolidated Financial Statements *(continued)*
For the period 1 October 2011 to 31 March 2012

19. Financial Risk, Management Objectives and Policies *(continued)*

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 above.

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
In the period the Master Fund made use of a revolving short term credit facility with RBSI which is used to finance future investments by the Master Fund.

There are a number of financial covenants given by the Master Fund which are tested by RBSI on a monthly basis. The covenants at 31 March 2012 are summarised in the following table:

Covenant	Target	Actual	Compliant / Non compliant
Loan to Value Ratio	Not more than 10%	9.20%	Compliant
Interest Cover	Not less than 6.00:1	24.75:1	Compliant
Number of entities invested in by way of Approved Investments	At least 10	16	Compliant
Net Asset Value	Not less than £50,000,000	81,639,757	Compliant

19. Financial Risk, Management Objectives and Policies *(continued)*

Interest Rate Risk (continued)

Borrowings (continued)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's total comprehensive income is affected through the impact on floating rate borrowings as follows:

31 March 2012

Change in LIBOR	0.50%	0.25%	0%	(0.25%)	(0.50%)
Amount Drawn down	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Effect on total comprehensive income	(35,000)	(17,500)	–	17,500	35,000

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 period end exposures are reported to the Directors of the Master Fund quarterly.

Notes to the Unaudited Consolidated Financial Statements *(continued)*

For the period 1 October 2011 to 31 March 2012

19. Financial Risk, Management Objectives and Policies *(continued)*

Credit Risk (continued)

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, 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.

Total Exposure by Sector	£	%
Healthcare	33,731,906	31.6
Education	26,516,136	24.8
Feed-in tariff	26,403,650	24.7
Leisure	11,500,630	10.8
Accommodation	7,411,746	6.9
Housing	726,426	0.7
Street lighting	565,853	0.5
Total	**106,856,347**	**100.0**

Top Ten Exposures by Project Counterparty	£	%
Dept. of Energy and Climate Change (E.ON Energy Ltd)	26,403,650	24.7
Slough Borough Council	10,595,296	9.9
South London Healthcare NHS Trust	8,115,791	7.6
NHS Greater Glasgow and Clyde	7,784,353	7.3
Hertfordshire County Council	4,745,823	4.4
Amber Valley Borough Council	4,170,911	3.9
Hull Primary Care Trusts	3,619,891	3.4
Leeds City Council	3,367,515	3.2
Rotherham Metropolitan Borough Council	3,167,781	3.0
South Essex Partnership University NHS Foundation Trust	3,101,187	2.9
18 other Project Counterparties with exposure < £3.1m	31,784,149	29.7
Total	**106,856,347**	**100.0**

19. Financial Risk, Management Objectives and Policies *(continued)*

Credit Risk (continued)

Top Ten Exposures by Facilities Manager	£	%
A Shade Greener Limited	26,403,650	24.7
Grosvenor Facilities Management	14,256,205	13.3
Pinnacle FM Limited	12,983,815	12.2
GE Medical Systems Limited	8,115,791	7.6
Parsons Brinckerhoff Limited	7,784,353	7.3
EMCOR Facilities Services	5,649,209	5.3
Community Building Services Limited	4,745,823	4.4
DC Leisure Management	4,170,911	3.9
Sewells Facilities Management Limited	3,619,891	3.4
Interserve FM Ltd	3,367,515	3.2
12 other Facilities Managers with exposure < £3.2m	15,759,184	14.7
Total	**106,856,347**	**100.0**

Total Exposure by Expected Term	£	%
< 10 yrs	14,273,776	13.4
10 - 20 yrs	2,388,519	2.2
20 - 25 yrs	47,596,166	44.5
25 - 30 yrs	42,597,886	39.9
Total	**106,856,347**	**100.0**

Total Exposure by Annual Equivalent Running Yield	£	%
9.0% - 9.5%	12,782,296	12.0
9.5% - 10.0%	84,253,931	78.8
10.0% - 10.5%	9,820,120	9.2
Total	**106,856,347**	**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.

Notes to the Unaudited Consolidated Financial Statements *(continued)*
For the period 1 October 2011 to 31 March 2012

19. Financial Risk, Management Objectives and Policies *(continued)*

Liquidity Risk (continued)

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 below analyses all of the Group's financial assets and liabilities into relevant maturity groupings based on the remaining period at the Consolidated Statements of Financial Position date to the contractual maturity date.

Ordinary Shares 31 March 2012	Less than 1 month £	1 – 3 months £	3 – 12 months £	Greater than 12 months £	No stated maturity £	Total £
Assets						
Cash and cash equivalents	2,802,535	–	–	–	–	2,802,535
Amounts receivable on subscription of Master Fund shares	194,622	–	–	–	–	194,622
Other receivables and prepayments	–	–	149,590	–	–	149,590
Amounts held on Security Account	–	–	–	2,190,674	–	2,190,674
Financial assets at fair value through profit or loss	2,849,416	327,945	4,485,764	242,291,329	–	249,954,454
Total financial assets	**5,846,573**	**327,945**	**4,635,354**	**244,482,003**	**–**	**255,291,875**
Liabilities						
Amounts payable on redemption of Master Fund shares	64,308	–	–	–	–	64,308
Interest bearing loans and borrowings	–	–	–	7,000,000	–	7,000,000
Other payables and accrued expenses	–	504,065	–	–	–	504,065
Amounts held on Security Account	–	–	–	2,190,674	–	2,190,674
Financial liabilities at fair value through profit or loss	–	–	–	–	34,022,950	34,022,950
Total financial liabilities	**64,308**	**504,065**	**–**	**9,190,674**	**34,022,950**	**43,781,997**

19. Financial Risk, Management Objectives and Policies *(continued)*

Liquidity Risk (continued)

Ordinary Shares 30 September 2011	Less than 1 month £	1 – 3 months £	3 – 12 months £	Greater than 12 months £	No stated maturity £	Total £
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
Amounts 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**
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
Financial liabilities at fair value through profit or loss	–	–	–	–	31,833,570	31,833,570
Total financial liabilities	**521,151**	**1,124,161**	**–**	**2,377,807**	**31,833,570**	**35,856,689**

Notes to the Unaudited Consolidated Financial Statements *(continued)*

For the period 1 October 2011 to 31 March 2012

19. Financial Risk, Management Objectives and Policies *(continued)*

Liquidity Risk (continued)

C Shares 31 March 2012	Less than 1 month £	1 – 3 months £	3 – 12 months £	Greater than 12 months £	No stated maturity £	Total £
Assets						
Cash and cash equivalents	42,466,397	–	–	–	–	42,466,397
Other receivables and prepayments	–	–	53,511	–	–	53,511
Financial assets at fair value through profit or loss	103,055	–	1,540,324	52,457,758	–	54,101,137
Total financial assets	**42,569,452**	**–**	**1,593,835**	**52,457,758**	**–**	**96,621,045**
Liabilities						
Other payables and accrued expenses	–	213,317	–	–	–	213,317
Total financial liabilities	**–**	**213,317**	**–**	**–**	**–**	**213,317**

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 31 March 2012 owns a 77.55% controlling stake in GCP Infrastructure Fund Limited (the ‘Master Fund’), together they form ‘the Group’.

Directors

Directors remuneration totals £82,212 (31 March 2011: £89,510) in the period of which £59,097 is allocated to the Ordinary Share Class Fund and £23,115 to the C Share Class Fund. The balance outstanding at the period end is £41,510 (30 September 2011: £28,356), of which £20,526 is allocated to the Ordinary Share Class Fund and £20,984 to the C Share Class Fund, is included within other payables and accrued expenses in note 12.

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 (31 March 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 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 in respect of the Master Fund.

During the period, the Group expensed £486,186 (31 March 2011: £68,073) in respect of Investment Advisory fees, transaction fees and expenses, of which £373,268 (30 September 2011: £274,495) is included within investment advisory fees and expenses payable as at 31 March 2012. The expensed balance comprised as follows:

- £10,000 (31 March 2011: £15,123) related to the contractual fee at Company level for the period of which £6,881 is allocated to the Ordinary Share Class Fund and £3,119 to the C Share Class Fund. £82 (30 September 2011: £55) was outstanding at the end of the period of which a receivable of £3,037 is allocated to the Ordinary Share Class Fund and payable of £3,119 to the C Share Class Fund; and

Notes to the Unaudited Consolidated Financial Statements *(continued)*
For the period 1 October 2011 to 31 March 2012

20. Related Party Disclosures *(continued)*

Investment Adviser (continued)

- £476,186 (31 March 2011: £52,194) related to the contractual fee at Master Fund level for the period of which £449,899 is allocated to the Ordinary Income and Accumulation Share Class Fund and £26,287 to the C Share Class Fund. £373,186 (30 September 2011: £274,440) was outstanding at the end of the period of which £346,899 is allocated to the Ordinary Share Class Fund and £26,287 to the C Share Class Fund.

Custodian
The Master Fund is party to a Custodian Agreement with the Custodian, dated 21 July 2009. For its services to the Master Fund, the Custodian receives fees charged on the net asset value of the Master Fund, subject to a minimum annual fee of £10,000 (31 March 2011: £10,000).

During the period, the Group expensed £17,260 (31 March 2011: £12,447) of which £12,143 is allocated to the Ordinary Share Class Fund and £5,117 to the C Share Class Fund. £3,668 (30 September 2011: £6,921) was outstanding at the end of the period, of which £2,077 is allocated to the Ordinary Share Class Fund and £1,591 to the C Share Class Fund.

Administrator
The Company and the Master Fund are party to Administration Agreements with the Administrator, dated 28 June 2010 and 9 June 2009 respectively, pursuant to which the Company and the Master Fund have appointed the Administrator to provide administrative services on a day-to-day basis.

For its services to the Company, the Administrator receives an annual fee of £40,000 (31 March 2011: £40,000).

For its services to the Master Fund, the Administrator receives fees charged on the net asset value of the Master Fund, subject to a minimum annual fee of £110,000 (31 March 2011: £110,000).

The Administrator is also entitled to claim for expenses arising in relation to the performance of certain duties in respect of the Group.

20. Related Party Disclosures *(continued)*

Administrator (continued)

During the period, the Group expensed £101,017 (31 March 2011: £100,959) in respect of Administration fees of which £70,715 is allocated to the Ordinary Share Class Fund and £30,302 to the C Share Class Fund. £19,164 (30 September 2011: £25,890) is included within administration fees payable as at 31 March 2012 of which £10,398 is allocated to the Ordinary Share Class Fund and £8,766 to the C Share Class Fund. The expensed balance comprised as follows:

- £20,960 (31 March 2011: £27,726) related to the contractual fee at Company level for the period of which £14,182 is allocated to the Ordinary Share Class Fund and £6,778 to the C Share Class Fund. £3,388 (30 September 2011: £6,904) was outstanding at the end of the period of which £1,465 is allocated to the Ordinary Share Class Fund and £1,923 to the C Share Class Fund; and
- £80,057 (31 March 2011: £73,233) related to the contractual fee at Master Fund level for the period of which £56,533 is allocated to the Ordinary Income and Accumulation Share Classes and £23,524 to the C Share Class. £15,776 (30 September 2011: £18,986) was outstanding at the end of the period of which £8,933 is allocated to the Ordinary Share Class Fund and £6,843 to the C Share Class Fund.

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 period 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 Accumulation and Income Shares.

Notes to the Unaudited Consolidated Financial Statements *(continued)*
For the period 1 October 2011 to 31 March 2012

21. Reconciliation of Net Asset Value *(continued)*

The Company's net asset value per Ordinary Share at 30 March 2012 can be reconciled to the net asset value per Ordinary Share, as calculated in accordance with IFRS, as follows:

	31 March 2012	
Ordinary Share class reconciliation	**Total £**	**Per share £**
Valuation in accordance with the Prospectus at 30 March 2012	48,090,379	1.0090
Adjustment for Master Fund set-up costs	(49,908)	(0.0010)
Adjustment for 31 March 2012 expense accruals	(337)	–
Adjustment for 31 March 2012 valuations	10,401	0.0002
Valuation as per consolidated financial statements	**48,050,535**	**1.0082**

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:

	30 September 2011	
Ordinary Share class reconciliation	**Total £**	**Per share £**
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**

The Company's net asset value per C Share at 30 March 2012 can be reconciled to the net asset value per C Share, as calculated in accordance with IFRS, as follows:

	31 March 2012	
C Share class reconciliation	**Total £**	**Per share £**
Valuation in accordance with the Prospectus at 30 March 2012	62,663,614	0.9830
Adjustment for 31 March 2012 expense accruals	(441)	–
Adjustment for 31 March 2012 valuations	4,673	0.0001
Adjustment for consolidation of C Share valuation	(19)	–
Valuation as per consolidated financial statements	**62,667,827**	**0.9831**

22. Subsequent events after the Report date

On the 16 April 2012 the Master Fund advanced a loan of £1.6 million. The loan is secured on a subordinated basis against the cash flows arising from 2 LIFT (Local Improvement Finance Trust) schemes in Cumbria. The loan has a term of c. 26.5 years and is expected to produce a return of c. 9.42% p.a. annual equivalent, plus an element of inflation protection.

On the 26 April 2012 the Master Fund advanced a loan of £11.3 million. The loan is secured on a subordinated basis against the cash flows arising from two UK Private Finance Initiative projects, one of which comprises four schools in Scotland, operational since 2002, while the other is a family court project in England which has been operational since 2004. The loan has a term of c. 17 years and is expected to produce a return of c. 9.31% p.a. annual equivalent, plus an element of inflation protection.

On 30 April 2012 the Master Fund advanced a loan of £14.4 million. The loan is secured on a senior basis against the cash flows arising under the UK Government's FIT scheme from a 5MW solar farm which has been operational since September 2011. The loan has a term of c. 18 years and is expected to produce a return of c. 9.52% p.a. annual equivalent, plus an element of inflation protection.

On 8 May 2012, in accordance with the terms of the Company's C Share Prospectus, the C Shares were converted to 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.

The RBSI facility drawn on 11 November 2011 was subsequently repaid in full on 16 May 2012.

23. Ultimate Controlling Party

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

Notes

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