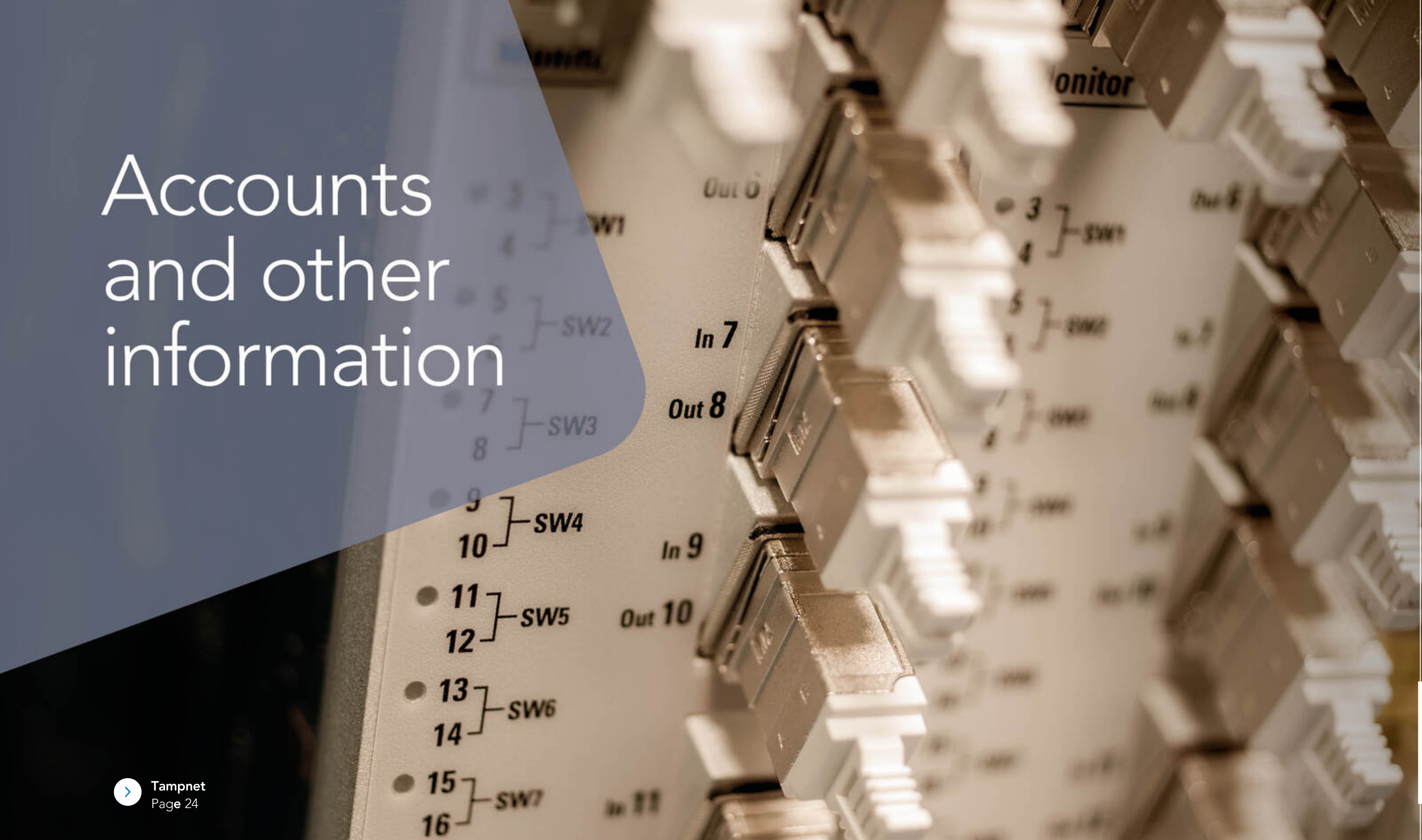
Accounts and other information



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Independent auditor's report to the members of 3i Infrastructure plc

Report on the audit of the Financial statements

1 Opinion

In our opinion the Financial statements of 3i Infrastructure plc (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of the Company's profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been properly prepared in accordance with Companies (Jersey) Law, 1991.

We have audited the Financial statements which comprise:

- the Statement of comprehensive income;
- the Statement of changes in equity;
- the Balance sheet;
- the Cash flow statement;
- the Reconciliation of net cash flow to movement in net debt;
- the Significant accounting policies; and
- the related Notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

Independent auditor's report to the members of 3i Infrastructure plc continued

2 Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Company for the year are disclosed in Note 3 to the Financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3 Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was the fair value of investments.
Materiality	The materiality that we used for the Financial statements in the current year was £32 million, which was determined on the basis of approximately 1% of the Company's net asset value ('NAV'). A lower materiality threshold of £3.9 million based upon approximately 2% of investment income was applied to certain balances in the Statement of comprehensive income and Balance sheet, excluding fair value of investments and derivatives balances and their associated fair value movements.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team and covered all of the Company's operations and investments.
Significant changes in our approach	There have been no significant changes in our audit approach compared with the prior year.

Independent auditor's report to the members of 3i Infrastructure plc continued

4 Conclusions relating to going concern

In auditing the Financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial statements is appropriate.

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- assessment of the financial position of the Company, including the cash balance of £5 million and £390 million undrawn on the £900 million RCF, which matures beyond the going concern assessment period;
- review of the Directors' liquidity and covenant compliance forecast for the next 12 months, including the ability of the Company to meet its obligations under the Investment Management Agreement;
- assessment of the ability of the Company's investments to generate cash income for the Company and the robustness of those cash flows to key risks;
- assessment of the Directors' sensitivity analysis, including the consideration of a 'reverse stress test';
- assessment of the model used to prepare the forecasts, testing of mathematical accuracy of those forecasts and our assessment of the historical accuracy of the forecasts prepared by the Investment Manager; and
- review of the appropriateness of the going concern disclosures included in the Financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least 12 months from when the Financial statements are authorised for issue.

In relation to reporting on how the Company has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the Financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of 3i Infrastructure plc continued

5 Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the Financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1 Fair value of Investments

Key audit matter description

At 31 March 2024, the Company held investments totalling £3,842 million (2023: £3,641 million) in unquoted companies which are measured at fair value through profit and loss. These investments are classified at Level 3 within the IFRS 13 Fair Value Measurement fair value hierarchy and, for Economic Infrastructure investments, their valuation requires significant judgement and estimation.

As a liquid market does not exist for the investments, they are generally measured using a discounted cash flow methodology. The complex nature of this methodology, combined with the number of significant judgements and estimates, means there is a risk that the fair value of the investments could be misstated. There are certain assumptions used in the determination of fair value to which the fair value is highly sensitive, which require a significant level of judgement to determine, and which could be susceptible to bias or manipulation, which is why we consider there to be a potential fraud risk.

The key assumptions and estimates used in the determination of the fair value of investments have been summarised as:

- discount rates – the determination of the appropriate discount rate that is reflective of current market conditions and the specific risks of the investment. The level of judgement required in respect of this is heightened by current market volatility;
- macroeconomic assumptions – forecast inflation rates; and
- forecast future cash flows – specific investments contain certain assumptions in the cash flow forecasts that are particularly complex and judgemental.

This key audit matter is also discussed on page 99 in the Audit and Risk Committee report, and disclosed in the significant accounting policies as a key source of estimation uncertainty on page 134, and in the portfolio valuation methodology on pages 39 and 40.

Independent auditor's report to the members of 3i Infrastructure plc continued

5.1 **Fair value of Investments** continued

How the scope of our audit responded to the key audit matter

In response to the key audit matter identified, we performed the following procedures:

- tested the controls in respect of the valuation process adopted by the Investment Manager and the Board, including the review and approval processes undertaken by the Investment Manager's valuation committee;
- tested that the valuation methodology is compliant with IFRS 13 requirements;
- met with the Investment Manager's Managing Partners, CFO, and other partners and personnel responsible for preparing and reviewing the valuations to understand the underlying performance of the businesses being valued and how the year-end valuation has been prepared, including key valuation assumptions;
- involved our valuation experts to assess discount rates applied in the valuations by benchmarking to relevant peers and transactions and considering the inherent risk profile of the underlying cash flows specific to each investment. As part of this assessment, we challenged the Investment Manager's assertion that recent increases in risk-free rates did not impact the discount rates used to value the portfolio;
- tested and challenged the macroeconomic assumptions included in the forecasts with reference to observable market data and external forecasts;
- assessed the forecast cash flows and related assumptions for all investments, including movements since acquisition or the prior year and, where applicable, used third-party evidence to challenge key assumptions;
- engaged with our valuation experts to apply an additional level of challenge to the investments identified as containing more judgemental forecast cash flow assumptions;
- considered the Company's identification and evaluation of climate change-related risks in respect of their investments;
- reviewed industry news and other external sources of information to identify evidence that may contradict the assumptions taken by the Investment Manager;
- assessed the historical accuracy of the cash flow forecasts through comparison to actual results in order to assess the reliability of the forecasts;
- compared historical data included in the valuation to audited financial statements to check that forecasts are based on actual results where applicable;
- employed analytic tools to assess the integrity of the valuation models;
- evaluated whether the estimates made were, individually and in aggregate, reasonable and free of bias; and
- assessed the disclosures made in the Notes to the Financial statements regarding the key sources of estimation uncertainty.

Key observations

We consider the judgements and assumptions utilised in determining the fair value of the Company's investment portfolio to be reasonable and supportable, and therefore have concluded that the fair value of the Company's investments as at 31 March 2024 is appropriate.

Independent auditor's report to the members of 3i Infrastructure plc continued

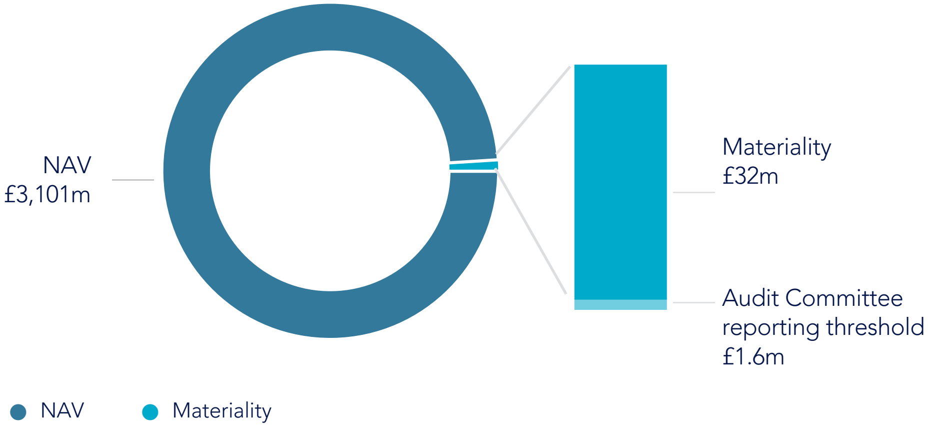
6 Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the Financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the Financial statements as a whole as follows:

Materiality	£32 million (2023: £31 million).
Basis for determining materiality	Materiality is determined using approximately 1% of net asset value ('NAV').
Rationale for the benchmark applied	We consider NAV to be the key financial statement benchmark used by shareholders of the Company in assessing financial performance.



A lower materiality threshold of £3.9 million (2023: £3.1 million) based on approximately 2% (2023: 2%) of investment income has also been used. This has been applied to certain balances in the Statement of comprehensive income and Balance sheet, excluding fair value of investments and derivatives balances and their associated fair value movements, due to qualitative factors of stakeholder interest.

Independent auditor's report to the members of 3i Infrastructure plc continued

6 Our application of materiality continued

6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the Financial statements as a whole. Performance materiality was set at 70% of materiality for the 2024 audit (2023: 70%). In determining performance materiality, we considered the following factors:

- the quality of internal control in existence at the Company and the Investment Manager;
- the stability of the business;
- the low level of errors identified in prior years;
- the willingness of the Investment Manager to correct errors identified; and
- the stability and competence of the finance team.

6.3 Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £1.6 million (2023: £1.5 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the Financial statements.

7 An overview of the scope of our audit

7.1 Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. All audit work to respond to the risks of material misstatement was performed directly by the audit engagement team and covered all operations and investments.

7.2 Our consideration of the control environment

The Audit and Risk Committee report beginning on page 98 of the Annual Report provides details of the Committee's consideration of the effectiveness of the internal control environment.

We have obtained an understanding of the control environment and the relevant controls to address our significant risks and other key account balances and transactions, including the valuation of investments, performance and management fees, investment income, and the financial reporting process. This included the control environment and relevant controls operating at the Investment Manager as a key service provider to the Company.

We have also tested and relied on the controls in respect of the investment valuation process.

Independent auditor's report to the members of 3i Infrastructure plc continued

7 An overview of the scope of our audit continued

7.3 Our consideration of climate-related risks

The Company has identified climate risk as a key risk, as detailed in the Climate risk section of the Risk report on page 67. The primary area where climate risks could impact the Financial statements is in respect of the fair value of investments as the investment portfolio companies face a range of climate change-related risks and opportunities.

The Company has considered the impact of climate change when preparing the investment valuations. We have considered the Company's identification and evaluation of climate-change risk in respect of their investments, as highlighted in section 5.1 above. This assessment considered the risks and opportunities associated with the impact of energy transition, extreme weather patterns and regulatory environments and their impact on the determination of fair value.

8 Other information

The other information comprises the information included in the Annual report, other than the Financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual report.

Our opinion on the Financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of 3i Infrastructure plc continued

9 Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the Financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

10 Auditor's responsibilities for the audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial statements.

A further description of our responsibilities for the audit of the Financial statements is located on the FRC's website. This description forms part of our auditor's report.

11 Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance, including the design of the Investment Manager's fee structure and performance targets;
- results of our enquiries of the Investment Manager, the Investment Manager's internal audit function, the Directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's sector;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and relevant internal specialists, including valuations specialists, regarding how and where fraud might occur in the Financial statements, and any potential indicators of fraud.

Independent auditor's report to the members of 3i Infrastructure plc continued

11 Extent to which the audit was considered capable of detecting irregularities, including fraud continued

11.1 Identifying and assessing potential risks related to irregularities (continued)

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of the investment portfolio. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies (Jersey) Law, Listing Rules, and UK Investment Trust tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the Financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. The key laws and regulations we considered in this context included the Alternative Investment Fund Managers Directive as approved by the FCA.

11.2 Audit response to risks identified

As a result of performing the above, we identified the fair value of investments as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the Financial statements;
- enquiring of management, the Audit and Risk Committee, the Investment Manager's in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing the Investment Manager's internal audit reports pertaining to the Company's activities, and reviewing any correspondence with HMRC and the FCA; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent auditor's report to the members of 3i Infrastructure plc continued

Report on other legal and regulatory requirements

12 Corporate Governance Statement

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial statements and our knowledge obtained during the audit:

- the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on pages 72 and 73;
- the Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate, set out on page 73;
- the Directors' statement on fair, balanced and understandable, set out on page 111;
- the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 110;
- the section of the Annual report that describes the review of effectiveness of risk management and internal control systems, set out on pages 102 and 103; and
- the section describing the work of the Audit and Risk committee, set out on pages 98 to 103.

13 Matters on which we are required to report by exception

13.1 Adequacy of explanations received and accounting records

Under the Companies (Jersey) Law, 1991, we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the Financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of 3i Infrastructure plc continued

14 Other matters which we are required to address

14.1 Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the shareholders on 6 July 2017 at the Annual General Meeting to audit the Financial statements for the year ending 31 March 2018 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and re-appointments of the firm is seven years, covering the years ending 31 March 2018 to 31 March 2024.

14.2 Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

15 Use of our report

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law, 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the FCA Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these Financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Stephen Craig, FCA
For and on behalf of Deloitte LLP
Recognised Auditor
London, UK
7 May 2024

Statement of comprehensive income
For the year to 31 March

	Notes	2024 £m	2023 £m
Net gains on investments	7	**180**	339
Investment income	7	**193**	156
Interest receivable		**1**	2
Investment return		**374**	497
Movement in the fair value of derivative financial instruments	5	**73**	18
Management and performance fees payable	2	**(75)**	(92)
Operating expenses	3	**(4)**	(3)
Finance costs	4	**(35)**	(16)
Exchange movements		**14**	(10)
Profit before tax		**347**	394
Income taxes	6	**–**	–
Profit after tax and profit for the year		**347**	394
Total comprehensive income for the year		**347**	394
Earnings per share			
Basic and diluted (pence)	14	**37.6**	44.0

Statement of changes in equity
For the year to 31 March

2024	Notes	Stated capital account £m	Retained reserves[1] £m	Capital reserve[1] £m	Revenue reserve[1] £m	Total shareholders' equity £m
Opening balance at 1 April 2023		**879**	**1,282**	**940**	**–**	**3,101**
Total comprehensive income for the year		**–**	**–**	**233**	**114**	**347**
Dividends paid to shareholders of the Company during the year	15	**–**	**–**	**–**	**(106)**	**(106)**
Closing balance at 31 March 2024		**879**	**1,282**	**1,173**	**8**	**3,342**

2023	Notes	Stated capital account £m	Retained reserves[1] £m	Capital reserve[1] £m	Revenue reserve[1] £m	Total shareholders' equity £m
Opening balance at 1 April 2022		779	1,282	643	–	2,704
Issue of shares		100	–	–	–	100
Total comprehensive income for the year		–	–	316	78	394
Dividends paid to shareholders of the Company during the year	15	–	–	(19)	(78)	(97)
Closing balance at 31 March 2023		879	1,282	940	–	3,101

1 The Retained reserves, Capital reserve and Revenue reserve are distributable reserves. Retained reserves relate to the period prior to 15 October 2018. Further information can be found in Accounting policy H.

Balance sheet
As at 31 March

	Notes	2024 £m	2023 £m
Assets			
Non-current assets			
Investments at fair value through profit or loss	7	**3,842**	3,641
Derivative financial instruments	10	**49**	29
Total non-current assets		**3,891**	3,670
Current assets			
Derivative financial instruments	10	**33**	28
Trade and other receivables	8	**3**	4
Cash and cash equivalents		**5**	5
Total current assets		**41**	37
Total assets		**3,932**	3,707
Liabilities			
Non-current liabilities			
Derivative financial instruments	10	**–**	(10)
Trade and other payables	12	**(32)**	(48)
Loans and borrowings	11	**(510)**	(501)
Total non-current liabilities		**(542)**	(559)
Current liabilities			
Derivative financial instruments	10	**(5)**	(8)
Trade and other payables	12	**(43)**	(39)
Total current liabilities		**(48)**	(47)
Total liabilities		**(590)**	(606)
Net assets		**3,342**	3,101

Balance sheet continued

	Notes	2024 £m	2023 £m
Equity			
Stated capital account	13	**879**	879
Retained reserves		**1,282**	1,282
Capital reserve		**1,173**	940
Revenue reserve		**8**	–
Total equity		**3,342**	3,101
Net asset value per share			
Basic and diluted (pence)	14	**362.3**	336.2

The Financial statements and related Notes were approved and authorised for issue by the Board of Directors on 7 May 2024 and signed on its behalf by:

Richard Laing
Chair

Cash flow statement
For the year to 31 March

	2024 £m	2023 £m
Cash flow from operating activities		
Purchase of investments	**(104)**	(729)
Proceeds from other financial assets	**–**	98
Proceeds from partial realisations of investments	**41**	322
Proceeds from full realisations of investments	**183**	104
Investment income[1]	**53**	30
Fees rebated on investment activities	**–**	1
Operating expenses paid	**(4)**	(3)
Interest received	**1**	3
Management and performance fees paid	**(86)**	(72)
Amounts received/(paid) on the settlement of derivative contracts	**34**	(13)
Net cash flow from operating activities	**118**	(259)
Cash flow from financing activities		
Fees and interest paid on financing activities	**(35)**	(16)
Proceeds from issue of share capital	**–**	102
Share issue expenses	**–**	(2)
Dividends paid	**(106)**	(97)
Drawdown of revolving credit facility	**402**	2,188
Repayment of revolving credit facility	**(379)**	(1,918)
Net cash flow from financing activities	**(118)**	257
Change in cash and cash equivalents	**–**	(2)
Cash and cash equivalents at the beginning of the year	**5**	17
Effect of exchange rate movement	**–**	(10)
Cash and cash equivalents at the end of the year	**5**	5

1 Investment income includes dividends of £9 million (2023: £1 million) and interest of £44 million (2023: £29 million).

Reconciliation of net cash flow to movement in net debt
For the year to 31 March

	2024 £m	2023 £m
Change in cash and cash equivalents	–	(2)
Drawdown of revolving credit facility	(402)	(2,188)
Repayment of revolving credit facility	379	1,918
Change in net debt resulting from cash flows	(23)	(272)
Movement in net debt	(23)	(272)
Net debt at the beginning of the year	(496)	(214)
Effect of exchange rate movement	14	(10)
Net debt at the end of the year	(505)	(496)

In the above reconciliation there were no non-cash movements.

Significant accounting policies

Corporate information

3i Infrastructure plc (the 'Company') is a company incorporated in Jersey, Channel Islands. The Financial statements for the year to 31 March 2024 comprise the Financial statements of the Company as defined in IFRS 10 Consolidated Financial Statements.

The Financial statements were authorised for issue by the Board of Directors on 7 May 2024.

Statement of compliance

These Financial statements have been prepared in accordance with UK adopted International Financial Reporting Standards ('IFRS') and International Accounting Standards.

These Financial statements have also been prepared in accordance with and in compliance with the Companies (Jersey) Law 1991.

Basis of preparation

In accordance with IFRS 10 (as amended), entities that meet the definition of an investment entity are required to fair value certain subsidiaries through profit or loss in accordance with IFRS 9 Financial Instruments, rather than consolidate their results. The Company does not have any consolidated subsidiaries, which would include subsidiaries that are not themselves investment entities and provide investment-related services to the Company.

The Financial statements of the Company are presented in sterling, the functional currency of the Company, rounded to the nearest million except where otherwise indicated.

The preparation of financial statements in conformity with IFRS requires the Board to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of determining the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Going concern

The Financial statements are prepared on a going concern basis as disclosed in the Risk report, as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. The Directors have made an assessment of going concern, taking into account a wide range of information relating to present and future conditions, including the Company's cash and liquidity position, current performance and outlook, which considered the impact of the higher inflationary and interest rate environment, ongoing geopolitical uncertainties and current and expected financial commitments, using the information available up to the date of issue of these Financial statements. As part of this assessment the Directors considered:

- the analysis of the adequacy of the Company's liquidity, solvency and capital position. The Company manages and monitors liquidity regularly, ensuring it is adequate and sufficient. At 31 March 2024, liquidity remained strong at £395 million (2023: £404 million). Liquidity comprised cash and deposits of £5 million (2023: £5 million) and undrawn revolving credit facilities of £390 million (2023: £399 million) with a maturity date of November 2026. Income and non-income cash is expected to be received from the portfolio investments during the coming year, a portion of which will be required to support the payment of the dividend target and the Company's other financial commitments;

Overview
Our portfolio
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Governance
Accounts and other information

- uncertainty around the valuation of the Company's assets as set out in the Key sources of estimation uncertainties section. The valuation policy and process was consistent with prior years. This year a key focus of the portfolio valuations at 31 March 2024 was an assessment of the impact of the macroeconomic environment on the operational and financial performance of each portfolio company. In particular, this focused on continued inflationary pressures, higher current interest rates and the impact on the cost of debt, volatility in power prices and ongoing geopolitical uncertainties. We have incorporated into our cash flow forecasts a balanced view of future income receipts and expenses; and
- the Company's financial commitments. The Company had no investment commitments at 31 March 2024 (2023: none). The Company had ongoing charges of £53 million in the year to 31 March 2024, detailed in Table 5 in the Financial review, which are indicative of the ongoing run rate in the short term. The Company has a FY24 performance fee accrual of £26 million, a third of which is payable within the next 12 months. The Company has a FY23 performance fee accrual of £30 million relating to the second and third instalments of the FY23 fee, the second instalment being due within the next 12 months, an accrual of £18 million relating to the third instalment of the FY22 fee due within the next 12 months, and a proposed final dividend for FY24 of £55 million. In addition, while not a commitment at 31 March 2024, the Company has a dividend target for FY25 of 12.65 pence per share.

In addition to the considerations listed above, there are a number of actions within management control to enhance available liquidity. These include the timing of certain income receipts from the portfolio, and the level and timing of new investments or realisations.

Having performed the assessment of going concern, the Directors considered it appropriate to prepare the Financial statements of the Company on a going concern basis. The Company has sufficient financial resources and liquidity and is well placed to manage business risks in the current economic environment and can continue operations for a period of at least 12 months from the date of approval of these Financial statements.

Key judgements

The preparation of financial statements in accordance with IFRS requires the Directors to exercise judgement in the process of applying the accounting policies defined below. The following policies are areas where a higher degree of judgement has been applied in the preparation of the Financial statements.

(i) **Assessment as investment entity** – Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them unless they provided investment-related services to the Company. To determine that the Company continues to meet the definition of an investment entity, the Company is required to satisfy the following three criteria:

(a) the Company obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;

(b) the Company commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

(c) the Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company meets the criteria as follows:

- the stated strategy of the Company is to deliver stable returns to shareholders through a mix of income yield and capital appreciation;
- the Company provides investment management services and has several investors who pool their funds to gain access to infrastructure-related investment opportunities that they might not have had access to individually; and

Significant accounting policies continued

- the Company has elected to measure and evaluate the performance of all of its investments on a fair value basis. The fair value method is used to represent the Company's performance in its communication to the market, including investor presentations. In addition, the Company reports fair value information internally to Directors, who use fair value as the primary measurement attribute to evaluate performance.

The Directors are of the opinion that the Company has all the typical characteristics of an investment entity and continues to meet the definition in the standard. This conclusion will be reassessed on an annual basis.

(ii) **Assessment of investments as structured entities** – A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. Additional disclosures are required by IFRS 12 for interests in structured entities, whether they are consolidated or not. The Directors have assessed whether the entities in which the Company invests should be classified as structured entities and have concluded that none of the entities should be classified as structured entities as voting rights are the dominant factor in deciding who controls these entities.

(iii) **Assessment of consolidation requirements** – The Company holds significant stakes in the majority of its investee companies and must exercise judgement in the level of control of the underlying investee company that is obtained in order to assess whether the Company should be classified as a subsidiary.

The Company must also exercise judgement in whether a subsidiary provides investment-related services or activities and therefore should be consolidated or held at fair value through profit or loss. Further details are shown in significant accounting policy 'A Classification' below.

The adoption of certain accounting policies by the Company also requires the use of certain critical accounting estimates in determining the information to be disclosed in the Financial statements.

Significant accounting policies continued

Key sources of estimation uncertainties

Valuation of the investment portfolio

The key area where estimates are significant to the Financial statements and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is in the valuation of the investment portfolio. The portfolio is well-diversified by sector, geography and underlying risk exposures. The key risks to the portfolio are discussed in further detail in the Risk report.

The majority of assets in the investment portfolio are valued on a discounted cash flow basis, which requires assumptions to be made regarding future cash flows, terminal value and the discount rate to be applied to these cash flows. The methodology for deriving the fair value of the investment portfolio, including the key estimates, is set out in the Summary of portfolio valuation methodology section. Refer to Note 7 for further details of the valuation techniques, significant inputs to those techniques and sensitivity of the fair value of these investments to the assumptions that have been made.

The discount rate applied to the cash flows in each investment portfolio company is a key source of estimation uncertainty. The acquisition discount rate is adjusted to reflect changes in company-specific risks to the deliverability of future cash flows and is calibrated against secondary market information and other available data points, including comparable transactions.

The discount rates applied to the investment portfolio at 31 March 2024 range from 10.0% to 14.0% (2023: 10.0% to 13.2%) and the weighted average discount rate applied to the investment portfolio is 11.3% (2023:11.3%). There is no change to the weighted average discount rate in the year despite the evolution of the portfolio mix following the realisation of Attero and the follow-on investments in DNS:NET, Ionisos and Future Biogas.

The cash flows on which the discounted cash flow valuation is based are derived from detailed financial models. These incorporate a number of assumptions with respect to individual portfolio companies, including: forecast new business wins or new orders; cost-cutting initiatives; liquidity and timing of debtor payments; timing of non-committed capital expenditure and construction activity; the terms of future debt refinancing; and macroeconomic assumptions such as inflation and energy prices. Future power price projections are taken from independent forecasters, and changes in these assumptions will affect the future value of our energy generating portfolio companies.

The Summary of portfolio valuation methodology section on pages 39 and 40 provides further details on some of the assumptions that have been made in deriving a balanced base case of cash flows.

The terminal value attributes a residual value to the portfolio company at the end of the projected discrete cash flow period based on market comparables. The terminal value assumptions consider climate change risk and stranded asset risk. The valuation of each asset has significant estimation in relation to asset-specific items but there is also consideration given to the impact of wider megatrends such as the transition to a lower-carbon economy and climate change.

The effects of climate change, including extreme weather patterns or rising sea levels in the longer term, could impact the valuation of the assets in the portfolio in different ways. The Summary of portfolio valuation methodology section provides further details on some of the assumptions that have been made in deriving terminal values and some of the risk factors considered in the cash flow forecasts.

Significant accounting policies continued

New and amended standards adopted for the current year

Standards and amendments to standards applicable to the Company that became effective during the year and were adopted by the Company on 1 April 2023 are listed below:

Amendments to IAS 1 Classification of Liabilities as Current or Non-current (1 January 2024)

Amendments to IAS 1 Non-current Liabilities with Covenants (1 January 2024)

International Tax Reform — Amendments to IAS 12 Pillar Two Model Rules (23 May 2023)

Standards and amendments issued but not yet effective

As at 31 March 2024, the following new or amended standards, applicable to the Company, which have not been applied in these Financial statements, had been issued by the International Accounting Standards Board ('IASB') but are yet to become effective:

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (1 January 2024)

IFRS S2 Climate-related Disclosures (1 January 2024)

Amendments to the Sustainability Accounting Standard Board ('SASB') standards to enhance their international applicability (1 January 2025)

IFRS 18 Presentation and Disclosures in Financial Statements (1 January 2027)

The Company intends to adopt these standards when they become effective, but does not currently anticipate that these standards will have a significant impact on the Company's Financial statements. Current assumptions regarding the impact of future standards will remain under consideration in light of interpretation notes as and when they are issued.

Significant accounting policies continued

A Classification

(i) **Subsidiaries** – Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary entity and has the ability to affect those returns through its power over the subsidiary entity. In accordance with the exception under IFRS 10 Consolidated Financial Statements, the Company only consolidates subsidiaries in the Financial statements if they are deemed to perform investment-related services and do not meet the definition of an investment entity. Investments in subsidiaries that do not meet this definition are accounted for as Investments at fair value through profit or loss, with changes in fair value recognised in the Statement of comprehensive income in the year. The Directors have assessed all entities within the structure and concluded that there are no subsidiaries of the Company that provide investment-related services or activities.

(ii) **Associates** – Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Investments that are held as part of the Company's investment portfolio are carried in the Balance sheet at fair value, even though the Company may have significant influence over those entities.

(iii) **Joint ventures** – Interests in joint ventures that are held as part of the Company's investment portfolio are carried in the Balance sheet at fair value. This treatment is permitted by IFRS 11 and IAS 28, which allows interests held by venture capital organisations where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IFRS 9, with changes in fair value recognised in the Statement of comprehensive income in the year.

B Exchange differences

Transactions entered into by the Company in a currency other than its functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated to the functional currency at the exchange rate ruling at the balance sheet date.

Foreign exchange differences arising on translation to the functional currency are recognised in the Statement of comprehensive income. Foreign exchange differences relating to investments held at fair value through profit or loss are shown within the line Net gains on investments. Foreign exchange differences relating to other assets and liabilities are shown within the line Exchange movements.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency using exchange rates ruling at the date the fair value was determined, with the associated foreign exchange difference being recognised within the unrealised gain or loss on revaluation of the asset or liability.

C Investment portfolio

Recognition and measurement – Investments are recognised and de-recognised on a date where the purchase or sale of an investment is under a contract whose terms require the delivery or settlement of the investment.

The Company manages its investments with a view to profiting from the receipt of investment income and obtaining capital appreciation from changes in the fair value of investments. Therefore, all unquoted investments are measured at fair value through profit or loss upon initial recognition and subsequently carried in the Balance sheet at fair value, applying the Company's valuation policy. Acquisition-related costs are accounted for as expenses when incurred.

Net gains or losses on investments are the movement in the fair value of investments between the start and end of the accounting period, or investment disposal date, or the investment acquisition date and the end of the accounting period, including divestment-related costs where applicable, converted into sterling using the exchange rates in force at the end of the period; and are recognised in the Statement of comprehensive income.

Income

Investment income is that portion of income that is directly related to the return from individual investments. It is recognised to the extent that it is probable that there will be an economic benefit and the income can be reliably measured.

The following specific recognition criteria must be met before the income is recognised:

- dividends from equity investments are recognised in the Statement of comprehensive income when the Company's rights to receive payment have been established. Special dividends are credited to capital or revenue according to their circumstances;
- interest income from loans that are measured at fair value through profit or loss is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset to the asset's carrying value or principal amount. The remaining changes in the fair value movement of the loans are recognised separately in the line Net gains on investments in the Statement of comprehensive income;
- distributions from investments in Limited Partnerships are recognised in the Statement of comprehensive income when the Company's rights as a Limited Partner to receive payment have been established; and
- fees receivable represent amounts earned from investee companies on completion of underlying investment transactions and are recognised on an accruals basis once entitlement to the revenue has been established.

D Fees

(i) **Fees** – Fees payable represent fees incurred in the process of acquiring an investment and are measured on the accruals basis.

(ii) **Management fees** – A management fee is payable to 3i plc, calculated as a tiered fee based on the gross investment value of the Company, and is accrued in the period it is incurred. Further details on how this fee is calculated are provided in Note 18.

(iii) **Performance fee** – The Investment Manager is entitled to a performance fee based on the total return generated in the period in excess of a performance hurdle of 8%. The fee is payable in three equal annual instalments and is accrued in full in the period it is incurred. Further details are provided in Note 18.

(iv) **Finance costs** – Finance costs associated with loans and borrowings are recognised on an accruals basis using the effective interest method.

E Treasury assets and liabilities

Short and long-term treasury assets and short and long-term treasury liabilities are used to manage cash flows and the overall costs of borrowing. Financial assets and liabilities are recognised in the Balance sheet when the relevant company entity becomes a party to the contractual provisions of the instrument.

(i) **Cash and cash equivalents** – Cash and cash equivalents in the Balance sheet and Cash flow statement comprise cash at bank, short-term deposits with an original maturity of three months or less and AAA-rated money market funds. Money market funds are accounted for at amortised cost under IFRS 9. However, due to their short-term and liquid nature, this is the same as fair value. Interest receivable or payable on cash and cash equivalents is recognised on an accruals basis.

(ii) **Bank loans, loan notes and borrowings** – Loans and borrowings are initially recognised at the fair value of the consideration received, net of issue costs associated with the borrowings. Where issue costs are incurred in relation to arranging debt finance facilities, these are capitalised and disclosed within Trade and other receivables and amortised over the life of the loan.

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method, which is the rate that exactly discounts the estimated future cash flows through the expected life of the liabilities. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

(iii) **Derivative financial instruments** – Derivative financial instruments are used to manage the risk associated with foreign currency fluctuations in the valuation of the investment portfolio. This is achieved by the use of forward foreign currency contracts. Such instruments are used for the sole purpose of efficient portfolio management. All derivative financial instruments are held at fair value through profit or loss.

Derivative financial instruments are recognised initially at fair value on the contract date and subsequently remeasured to the fair value at each reporting date. All changes in the fair value of derivative financial instruments are taken to the Statement of comprehensive income.

The maturity profile of derivative contracts is measured relative to the financial contract settlement date of each contract, and the derivative contracts are disclosed in the Financial statements as either current or non-current accordingly.

F Other assets

Assets, other than those specifically accounted for under a separate policy, are stated at their consideration receivable less impairment losses. Such assets are short-term in nature and the carrying value of these assets is considered to be approximate to their fair value. Assets are reviewed for recoverability and impairment using the expected credit loss model simplified approach. The Company will recognise the asset's lifetime expected credit losses at each reporting period where applicable in the Statement of comprehensive income. An impairment loss is reversed at subsequent financial reporting dates to the extent that the asset's carrying amount does not exceed its carrying value, had no impairment been recognised.

Assets with maturities less than 12 months are included in current assets and assets with maturities greater than 12 months after the balance sheet date are classified as non-current assets.

G Other liabilities

Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which are considered to be payable in respect of goods or services received up to the financial reporting date. Such liabilities are short-term in nature and the carrying value of these liabilities is considered to be approximate to their fair value.

Significant accounting policies continued

H Equity and reserves

(i) **Share capital** – Share capital issued by the Company is recognised at the fair value of proceeds received and is credited to the Stated capital account. Direct issue costs net of tax are deducted from the fair value of the proceeds received.

(ii) **Equity and reserves** – The Stated capital account of the Company represents the cumulative proceeds recognised from share issues or new equity issued on the conversion of warrants made by the Company net of issue costs and reduced by any amount that has been transferred to Retained reserves, in accordance with Jersey Company Law, in previous years.

Share capital is treated as an equity instrument, on the basis that no contractual obligation exists for the Company to deliver cash or other financial assets to the holder of the instrument.

On 15 October 2018, the Company became UK tax domiciled and, with effect from that date, was granted UK-approved investment trust status. Financial statements prepared under IFRS are not strictly required to apply the provisions of the Statements of Recommended Practice issued by the UK Association of Investment Companies for the financial statements of Investment Trust Companies (the 'AIC SORP'). However, where relevant and appropriate, the Directors have looked to follow the recommendations of the AIC SORP. From this date, the retained profits of the Company have been applied to two new reserves, being the Capital reserve and the Revenue reserve. These are in addition to the existing Retained reserves which incorporate the cumulative retained profits of the Company (after the payment of dividends) plus any amounts that have been transferred from the Stated capital account of the Company to 15 October 2018.

The Directors have exercised their judgement in applying the AIC SORP and a summary of these judgements is as follows:

- Net gains on investments are applied wholly to the Capital reserve as they relate to the revaluation or disposal of investments;
- Dividends are applied to the Revenue reserve, except under specific circumstances where a dividend arises from a return of capital or proceeds from a refinancing, when they are applied to the Capital reserve;
- Fees payable are applied to the Capital reserve where the service provided is, in substance, an intrinsic part of an intention to acquire or dispose of an investment;
- Movement in the fair value of derivative financial instruments is applied to the Capital reserve as the derivative hedging programme is specifically designed to reduce the volatility of sterling valuations of the non-sterling denominated investments;
- Management fees are applied to the Revenue reserve as they reflect ongoing asset management. Where a transaction fee element is due on the acquisition of an investment, it is applied to the Capital reserve;
- Performance fees are applied wholly to the Capital reserve as they arise mainly from capital returns on the investment portfolio;
- Operating costs are applied wholly to the Revenue reserve as there is no clear connection between the operating expenses of the Company and the purchase and sale of an investment;
- Finance costs are applied wholly to the Revenue reserve as the existing borrowing is not directly linked to an investment; and
- Exchange movements are applied to the Revenue reserve where they relate to exchange on non-portfolio assets.

(iii) **Dividends payable** – Dividends on ordinary shares are recognised in the period in which the Company's obligation to make the dividend payment arises. For the period to 15 October 2018, dividends were deducted from Retained reserves. For subsequent periods, dividends are deducted first from the Revenue reserve, then from the Capital reserve, and finally from the Retained reserves if required.

I Income taxes

Income taxes represent the sum of the tax currently payable, withholding taxes suffered and deferred tax. Tax is charged or credited in the Statement of comprehensive income, except where it relates to items charged or credited directly to equity, in which case the tax is also dealt with in equity.

The tax currently payable is based on the taxable profit for the year. This may differ from the profit included in the Statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible.

To enable the tax charge to be based on the profit for the year, deferred tax is provided in full on temporary timing differences, at the rates of tax expected to apply when these differences crystallise. Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profits will be available against which temporary differences can be set off. In practice, some assets that are likely to give rise to timing differences will be treated as capital for tax purposes.

Given that capital items are exempt from tax under the Investment Trust Company rules, deferred tax is not expected to be recognised on these balances. All deferred tax liabilities are offset against deferred tax assets, where appropriate, in accordance with the provisions of IAS 12.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the accounts

1 Operating segments

In previous years, the Directors reviewed information on a regular basis that was analysed by portfolio segment; being Economic Infrastructure businesses, the Projects portfolio and the India Fund, and by geography. Following the sale of the Projects portfolio and the India Fund reaching the end of its life, these segments are no longer relevant, and the Directors are of the opinion that the Company is engaged in a single segment of business, being investment in core-plus infrastructure. The internal information shared with the Directors on a monthly basis to allocate resources, assess performance and manage the Company, presents the business as a single segment comprising the total portfolio of investments.

The Company is an investment holding company and does not consider itself to have any customers. Given the nature of the Company's operations, the Company is not considered to be exposed to any operational seasonality or cyclicality that would impact the financial results of the Company during the year or the financial position of the Company at 31 March 2024.

2 Management and performance fees payable

Year to 31 March	2024 £m	2023 £m
Management fee	**49**	47
Performance fee	**26**	45
	75	92

Total management and performance fees payable by the Company for the year to 31 March 2024 were £75 million (2023: £92 million). Note 18 provides further details on the calculation of the management fee and performance fee.

3 Operating expenses

Operating expenses include the following amounts:

Year to 31 March	2024 £m	2023 £m
Audit fees	**0.8**	0.6
Directors' fees and expenses	**0.6**	0.5

In addition to the fees described above, audit fees of £0.05 million (2023: £0.05 million) are payable by unconsolidated subsidiary entities for the year to 31 March 2024 to the Company's auditor.

Services provided by the Company's auditor

During the year, the Company obtained the following services from the Company's auditor, Deloitte LLP.

Audit services		2024 £m	2023 £m
Statutory audit[1]	Company	**0.63**	0.52
	UK and Jersey unconsolidated subsidiaries[2]	**0.05**	0.05
		0.68	0.57

1 Amounts exclude VAT.
2 These amounts are payable from unconsolidated subsidiary entities and do not form part of operating expenses but are included in the Net gains on investments.

Non-audit services

Deloitte LLP and their associates provided non-audit services for fees totalling £103,902 for the year to 31 March 2024 (2023: £95,891). This related to agreed-upon procedures work in respect of the management and performance fees £8,981 (2023: £8,316), agreed-upon procedures work in respect of Sustainability KPIs for the RCF reporting £29,500 (2023: £27,000) and the review of the interim financial statements £65,421 (2023: £60,575). In line with the Company's policy, Deloitte LLP provided non-audit services to certain investee companies. The fees for these services are ordinarily borne by the underlying investee companies or unconsolidated subsidiaries, and therefore are not included in the expenses of the Company. Details on how such non-audit services are monitored and approved can be found in the Governance section.

4 Finance costs

Year to 31 March	2024 £m	2023 £m
Finance costs associated with the debt facilities	**32**	14
Professional fees payable associated with the arrangement of debt financing	**3**	2
	35	16

The finance costs associated with the debt facilities have increased for the year to 31 March 2024 as a result of higher average drawings, increased SONIA and EURIBOR rates and increases in the total available facilities during the prior year. The average monthly drawn position during the year was £586 million (2023: £368 million) and the average monthly total available facilities was £314 million (2023: £562 million).

5 Movement in the fair value of derivative financial instruments

Year to 31 March	2024 £m	2023 £m
Movement in the fair value of foreign exchange forward contracts	**73**	18

The movement in the fair value of derivative financial instruments is included within Profit before tax but not included within Investment return.

Notes to the accounts continued

6 Income taxes

Year to 31 March	2024 £m	2023 £m
Current taxes		
Current year	–	–
Total income tax charge in the Statement of comprehensive income	–	–

Reconciliation of income taxes in the Statement of comprehensive income

The tax charge for the year is different from the standard rate of corporation tax in the UK, currently 25% (2023: 19%), and the differences are explained below:

Year to 31 March	2024 £m	2023 £m
Profit before tax	347	394
Profit before tax multiplied by rate of corporation tax in the UK of 25% (2023: 19%)	87	75
Effects of:		
Non-taxable capital profits due to UK-approved investment trust company status	(63)	(67)
Non-taxable dividend income	(2)	–
Dividends designated as interest distributions	(21)	(9)
Unrecognised deferred tax asset on temporary differences	–	1
Utilisation of previously unrecognised tax losses	(1)	–
Total income tax charge in the Statement of comprehensive income	–	–

The Company's affairs are directed so as to allow it to meet the requisite conditions to continue to operate as an approved investment trust company for UK tax purposes. The approved investment trust status allows certain capital profits of the Company to be exempt from tax in the UK and also permits the Company to designate the dividends it pays, wholly or partly, as interest distributions. These features enable approved investment trust companies to ensure that their investors do not ultimately suffer double taxation of their investment returns, ie once at the level of the investment fund vehicle and then again in the hands of the investors.

With effect from 1 April 2023, the UK corporation tax rate applicable to large companies increased from 19% to 25%. Should the Company recognise any deferred tax assets and liabilities, a rate of 25% would be used.

7 Investments at fair value through profit or loss and financial instruments

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level	Fair value input description	Financial instruments
Level 1	Quoted prices (unadjusted and in active markets)	Quoted equity investments
Level 2	Inputs other than quoted prices included in Level 1 that are observable in the market either directly (ie as prices) or indirectly (ie derived from prices)	Derivative financial instruments held at fair value
Level 3	Inputs that are not based on observable market data	Unquoted investments and unlisted funds

For assets and liabilities that are recognised in the Financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) for each reporting period.

The table on page 146 shows the classification of financial instruments held at fair value into the fair value hierarchy at 31 March 2024. For all other assets and liabilities, their carrying value approximates to fair value. During the year ended 31 March 2024, there were no transfers of financial instruments between levels of the fair value hierarchy (2023: none).

Trade and other receivables in the Balance sheet includes £2 million of deferred finance costs relating to the arrangement fee for the RCF (2023: £4 million). This has been excluded from the table on the following page as it is not categorised as a financial instrument.

7 Investments at fair value through profit or loss and financial instruments continued

Financial instruments classification

	As at 31 March 2024			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets				
Investments at fair value through profit or loss	–	–	3,842	3,842
Trade and other receivables	–	1	–	1
Derivative financial instruments	–	82	–	82
	–	83	3,842	3,925
Financial liabilities				
Derivative financial instruments	–	(5)	–	(5)
	–	(5)	–	(5)

	As at 31 March 2023			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets				
Investments at fair value through profit or loss	–	–	3,641	3,641
Trade and other receivables	–	–	–	–
Derivative financial instruments	–	57	–	57
	–	57	3,641	3,698
Financial liabilities				
Derivative financial instruments	–	(18)	–	(18)
	–	(18)	–	(18)

7 Investments at fair value through profit or loss and financial instruments continued

Reconciliation of financial instruments categorised within Level 3 of fair value hierarchy

Level 3 fair value reconciliation	As at 31 March 2024 £m	2023 £m
Opening fair value	**3,641**	2,873
Additions	**256**	824
Disposal proceeds and repayment	**(224)**	(426)
Movement in accrued income	**(11)**	31
Fair value movement (including exchange movements)	**180**	339
Closing fair value	**3,842**	3,641

The fair value movement (including exchange movements) is equal to the Net gains on investments shown in the Statement of comprehensive income. All unrealised movements on investments and foreign exchange movements are recognised in profit or loss in the Statement of comprehensive income during the year and are attributable to investments held at the end of the year.

The holding period of the investments in the portfolio is expected to be greater than one year. Therefore, investments are classified as non-current unless there is an agreement to dispose of the investment within one year and all relevant regulatory or other third-party approvals have been received. It is not possible to identify with certainty whether any investments may be sold within one year.

Investment income of £193 million (2023: £156 million) comprises dividend income of £9 million (2023: £1 million) and interest of £184 million (2023: £155 million).

Unquoted investments

The Company invests in private companies which are not quoted on an active market. These are measured in accordance with the IPEV guidelines with reference to the most appropriate information available at the time of measurement. Further information regarding the valuation of unquoted investments can be found in the Summary of portfolio valuation methodology section.

The Company's policy is to fair value both the equity and shareholder debt investments in infrastructure assets together where they will be managed and valued as a single investment, were invested at the same time and cannot be realised separately. The Directors consider that equity and debt share the same characteristics and risks and they are therefore treated as a single unit of account for valuation purposes and a single class for disclosure purposes. As at 31 March 2024, the fair value of unquoted investments was £3,842 million (2023: £3,641 million). Individual portfolio asset valuations are shown in the Portfolio summary on page 34.

7 Investments at fair value through profit or loss and financial instruments continued

The fair value of the investments is sensitive to changes in the macroeconomic assumptions used as part of the portfolio valuation process. As part of its analysis, the Board has considered the potential impact of a change in a number of the macroeconomic assumptions used in the valuation process. By considering these potential scenarios, the Board is well positioned to assess how the Company is likely to perform if affected by variables and events that are inherently outside of the control of the Board and the Investment Manager.

The majority of the assets held within Level 3 are valued on a discounted cash flow basis, hence the valuations are sensitive to the discount rate assumed in the valuation of each asset. Other significant unobservable inputs include the inflation rate assumption, the interest rates assumption used to project the future cash flows, and the forecast cash flows themselves. The sensitivity to the inflation rate and interest rates is described below, and the sensitivity to the forecast cash flows is captured in the Market risk section in Note 9.

A discussion of discount rates applied can be found in the Summary of portfolio valuation methodology section. Increasing the discount rate used in the valuation of each asset by 1% would reduce the value of the portfolio by £352 million (2023: £296 million). Decreasing the discount rate used in the valuation of each asset by 1% would increase the value of the portfolio by £404 million (2023: £343 million).

The majority of assets held within Level 3 have revenues that are linked, partially linked or in some way correlated to inflation. The long-term CPI inflation rate assumption across all jurisdictions is 2.0% (2023: 2.0%). The long-term RPI assumption for the UK is 2.5% (2023: 2.5%). The impact of increasing the short-term inflation rate assumption by 1% for the next two years would increase the value of the portfolio by £54 million (2023: £47 million). Decreasing the inflation rate assumption used in the valuation of each asset by 1% for the next two years would decrease the value of the portfolio by £56 million (2023: £52 million). The timing and quantum of price increases will vary across the portfolio and the sensitivity may differ from that modelled. Changing the inflation rate assumption may result in consequential changes to other assumptions used in the valuation of each asset.

The valuations are sensitive to changes in interest rates, which may result from: (i) unhedged existing borrowings within portfolio companies; (ii) interest rates on uncommitted future borrowings assumed within the asset valuations; and (iii) cash deposits held by portfolio companies. These comprise a wide range of interest rates from short-term deposit rates to longer-term borrowing rates across a broad range of debt products. Increasing the cost of borrowing assumption for unhedged borrowings and any future uncommitted borrowing and the cash deposit rates used in the valuation of each asset by 1% would reduce the value of the portfolio by £220 million (2023: £182 million). Decreasing the interest rate assumption for unhedged borrowings used in the valuation of each asset by 1% would increase the value of the portfolio by £214 million (2023: £175 million). This calculation does not take account of any offsetting variances which may be expected to prevail if interest rates changed, including the impact of inflation discussed above.

Over-the-counter derivatives

The Company uses over-the-counter foreign currency derivatives to hedge foreign currency movements. The derivatives are held at fair value which represents the price that would be received to sell or transfer the instruments at the balance sheet date. The valuation technique incorporates various inputs, including foreign exchange spot and forward rates, and uses present value calculations. For these financial instruments, significant inputs into models are market observable and are included within Level 2.

7 Investments at fair value through profit or loss and financial instruments continued

Valuation process for Level 3 valuations

The valuations on the Balance sheet are the responsibility of the Board of Directors of the Company. The Investment Manager provides a valuation of unquoted investments, debt and unlisted funds held by the Company on a half-yearly basis. This is performed by the valuation team of the Investment Manager and reviewed by the valuation committee of the Investment Manager. The valuations are also subject to quality assurance procedures performed within the valuation team. The valuation team verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant documents and market information. The valuation committee of the Investment Manager considers the appropriateness of the valuation methods and inputs, and may request that alternative valuation methods are applied to support the valuation arising from the method chosen. On a half-yearly basis, the Investment Manager presents the valuations to the Board. This includes a discussion of the major assumptions used in the valuations, with an emphasis on the more significant investments and investments with significant fair value changes. Any changes in valuation methods are discussed and agreed with the Audit and Risk Committee before the valuations on the Balance sheet are approved by the Board.

8 Trade and other receivables

	As at 31 March	
	2024 £m	2023 £m
Current assets		
Other receivables	**1**	–
Capitalised finance costs	**2**	4
	3	4

9 Financial risk management

A full review of the Company's objectives, policies and processes for managing and monitoring risk is set out in the Risk report. This Note provides further detail on financial risk management, cross-referring to the Risk report where applicable and providing further quantitative data on specific financial risks.

Each investment made by the Company is subject to a full risk assessment through a consistent investment approval process. The Board's Management Engagement Committee, Audit and Risk Committee and the Investment Manager's investment process are part of the overall risk management framework of the Company.

The funding objective of the Company is that each category of investment ought to be broadly matched with liabilities and shareholders' funds according to the risk and maturity characteristics of the assets, and that funding needs are to be met ahead of planned investment.

Capital structure

The Company has a continuing commitment to capital efficiency. The capital structure of the Company consists of cash held on deposit and in AAA-rated money market funds, borrowing facilities and shareholders' equity. The Company's Articles require its outstanding borrowings, including any financial guarantees to support subsequent obligations, to be limited to 50% of the gross assets of the Company. The type and maturity of the Company's borrowings are analysed in Note 11 and the Company's equity is analysed into its various components in the Statement of changes in equity. Capital is managed so as to maximise the return to shareholders, while maintaining a strong capital base that ensures that the Company can operate effectively in the marketplace and sustain future development of the business. The Board is responsible for regularly monitoring capital requirements to ensure that the Company is maintaining sufficient capital to meet its future investment needs.

The Company is regulated by the Jersey Financial Services Commission under the provisions of the Collective Investment Funds (Jersey) Law 1988 as a listed closed-ended collective investment fund and is not required as a result of such regulation to maintain a minimum level of capital.

Capital is allocated for investment in infrastructure across the UK and continental Europe. As set out in the Company's investment policy, the maximum exposure to any one investment is 25% of gross assets (including cash holdings) at the time of investment.

9 Financial risk management continued

Credit risk

The Company is subject to credit risk on the debt component of its unquoted investments, cash, deposits, derivative contracts and receivables. The maximum exposure to credit risk as a result of counterparty default equates to the current carrying value of these financial assets. Throughout the year and the prior year, the Company's cash and deposits were held with a variety of counterparties, principally in AAA-rated money market funds. The counterparties selected for the derivative financial instruments were all banks with a minimum of a BBB+ credit rating with at least one major rating agency.

The credit quality of unquoted investments, which are held at fair value and include debt and equity elements, is based on the financial performance of the individual portfolio companies. The credit risk relating to these assets is based on their enterprise value and is reflected through fair value movements. This incorporates the impact from macroeconomic factors such as inflation and interest rate rises and the volatility in energy prices. The performance of underlying investments is monitored by the Board to assess future recoverability.

For those assets and income entitlements that are not past due, it is believed that the risk of default is small and capital repayments and interest payments will be made in accordance with the agreed terms and conditions of the investment. If the portfolio company has failed and there is no expectation to recover any residual value from the investment, the Company's policy is to record an impairment for the full amount of the loan. When the net present value of the future cash flows predicted to arise from the asset, discounted using the effective interest rate method, implies non-recovery of all or part of the Company's investment, a fair value movement is recorded equal to the valuation shortfall.

As at 31 March 2024, the Company had no loans or receivables or debt investments considered past due (2023: nil).

The Company actively manages counterparty risk. Counterparty limits are set and closely monitored by the Board and a regular review of counterparties is undertaken by the Investment Manager and reported to the Board. As at 31 March 2024, the Company did not consider itself to have a significant exposure to any one counterparty and held deposits and derivative contracts with a number of different counterparties to reduce counterparty risk (2023: same).

Due to the size and nature of the investment portfolio, there is the potential for concentration risk. This risk is managed by diversifying the portfolio by sector and geography.

9 Financial risk management continued

Liquidity risk

Further information on how liquidity risk is managed is provided in the Risk report. The table below analyses the maturity of the Company's contractual liabilities.

	As at 31 March 2024				
	Payable on demand £m	Due within 1 year £m	Due between 1 and 2 years £m	Due between 2 and 5 years £m	Total £m
Liabilities					
Loans and borrowings[1]	–	(29)	(29)	(528)	(586)
Trade and other payables	(1)	(42)	(23)	(9)	(75)
Derivative contracts	–	–	–	(5)	(5)
Total undiscounted financial liabilities	(1)	(71)	(52)	(542)	(666)

1 Loans and borrowings include undrawn commitment fees and interest payable on the RCF referred to in Note 11.

	As at 31 March 2023				
	Payable on demand £m	Due within 1 year £m	Due between 1 and 2 years £m	Due between 2 and 5 years £m	Total £m
Liabilities					
Loans and borrowings[1]	–	(26)	(26)	(517)	(569)
Trade and other payables	(4)	(35)	(33)	(15)	(87)
Derivative contracts	–	(4)	(6)	(8)	(18)
Total undiscounted financial liabilities	(4)	(65)	(65)	(540)	(674)

1 Loans and borrowings include undrawn commitment fees and interest payable on the RCF referred to in Note 11.

The derivative contracts liability shown is the net cash flow expected to be paid on settlement. In order to manage the contractual liquidity risk, the Company has free cash and debt facilities in place.

Notes to the accounts continued

9 Financial risk management continued

Market risk

The valuation of the Company's investment portfolio is largely dependent on the underlying trading performance of the companies within the portfolio, but the valuation of the portfolio and the carrying value of other items in the Financial statements can also be affected by interest rate, currency and market price fluctuations. The Company's sensitivities to these fluctuations are set out below.

(i) Interest rate risk

Further information on how interest rate risk is managed is provided in the Risk report.

An increase of 100 basis points in interest rates over 12 months (2023: 100 basis points) would lead to an approximate decrease in net assets and net profit of the Company of £5 million (2023: £5 million). This exposure relates principally to changes in interest payable on the drawn RCF balance at the year end. The average cash balance of the Company, which is more representative of the cash balance during the year, was £30 million (2023: £29 million) and the weighted-average interest earned was 3.8% (2023: 1.6%).

In addition, the Company has indirect exposure to interest rates through changes to the financial performance of portfolio companies caused by interest rate fluctuations as disclosed in Note 7. This risk is considered a component of market risk described in section (iii). The Company does not hold any fixed rate debt investments or borrowings and is therefore not exposed to fair value interest rate risk.

(ii) Currency risk

Further information on how currency risk is managed is provided in the Risk report. The currency denominations of the Company's net assets are shown in the table below. The sensitivity analysis demonstrates the exposure of the Company's net assets to movements in foreign currency exchange rates. The hedging strategy is discussed in the Financial review.

	As at 31 March 2024					
	Sterling[1] £m	Euro £m	NOK £m	DKK £m	US dollar £m	Total £m
Net assets	**693**	**1,408**	**346**	**539**	**356**	**3,342**
Sensitivity analysis						
Assuming a 10% appreciation in sterling against the euro, Norwegian krona, Danish krona and US dollar exchange rates:						
Impact of exchange movements on net profit and net assets	**104**	**(128)**	**(31)**	**(49)**	**(32)**	**(136)**

1 Sterling impact relates to the impact of fair value movement in derivatives held by the Company to hedge foreign currency fluctuations in the valuation of the investment portfolio. The notional amount of the derivatives is disclosed in Note 10.

9 Financial risk management continued

	As at 31 March 2023					
	Sterling[1] £m	Euro £m	NOK £m	DKK £m	US dollar £m	Total £m
Net assets	506	1,486	293	489	327	3,101
Sensitivity analysis						
Assuming a 10% appreciation in sterling against the euro, Norwegian krona, Danish krona and US dollar exchange rates:						
Impact of exchange movements on net profit and net assets	159	(135)	(27)	(44)	(30)	(77)

1 Sterling impact relates to the impact of fair value movement in derivatives held by the Company to hedge foreign currency fluctuations in the valuation of the investment portfolio. The notional amount of the derivatives is disclosed in Note 10.

The impact of an equivalent depreciation in sterling against the euro, NOK, DKK and US dollar exchange rates has the inverse impact on net profit and net assets from that shown above. The risk exposure at the year end is considered to be representative of this year as a whole.

(iii) Market risk

Further information about the management of external market risk and its impact on price or valuation, which arises principally from unquoted investments, is provided in the Risk report. A 10% increase in the fair value of those investments would have the following direct impact on net profit and net assets. The impact of a change in all cash flows has an equivalent impact on the fair value, as set out below.

Year to 31 March	2024 £m	2023 £m
Increase in net profit and net assets	**384**	364

The impact of a 10% decrease in the fair value of those investments would have the inverse impact on net profit and net assets from that shown above. The risk exposure at the year end is considered to be representative of this year as a whole.

By the nature of the Company's activities, it has large exposures to individual assets that are susceptible to movements in price. This risk concentration is managed within the Company's investment strategy, as discussed in the Risk report.

9 Financial risk management continued

(iv) Fair values

The fair value of the investment portfolio is described in detail in the Summary of portfolio valuation methodology section and in Note 7. The fair values of the remaining financial assets and liabilities approximate to their carrying values (2023: same).

The sensitivity analysis in respect of the interest rate, currency and market price risks is considered to be representative of the Company's exposure to financial risks throughout the period to which they relate (2023: same).

10 Derivative financial instruments

	As at 31 March	
	2024 £m	2023 £m
Non-current assets		
Foreign exchange forward contracts	**49**	29
Current assets		
Foreign exchange forward contracts	**33**	28
Non-current liabilities		
Foreign exchange forward contracts	**–**	(10)
Current liabilities		
Foreign exchange forward contracts	**(5)**	(8)

Foreign exchange forward contracts

The Company uses foreign exchange forward contracts to minimise the effect of fluctuations in the investment portfolio from movements in exchange rates, and also to fix the value of certain expected future cash flows arising from distributions made by investee companies.

The fair value of these contracts is recorded in the Balance sheet. No contracts are designated as hedging instruments and consequently all changes in fair value are taken through profit or loss.

As at 31 March 2024, the notional amount of the forward foreign exchange contracts held by the Company was £1,814 million (2023: £1,982 million).

11 Loans and borrowings

The Company has a £900 million RCF at 31 March 2024. In September 2023, the maturity of the RCF was extended by a year to November 2026 with no changes to terms.

The RCF is secured by a floating charge over the bank accounts of the Company. Interest is payable at SONIA or EURIBOR plus a fixed margin on the drawn amount. This fixed margin is subject to a small adjustment annually based upon performance against agreed sustainability metrics. As at 31 March 2024, the Company had £510 million of drawings under the RCF (2023: £501 million). The RCF has one financial covenant: a loan-to-value ratio.

There was no change in total financing liabilities for the Company during the period as the cash flows relating to the financing liabilities were equal to the income statement expense. Accordingly, no reconciliation between the movement in financing liabilities and the cash flow statement has been presented.

12 Trade and other payables

	As at 31 March	
	2024 £m	2023 £m
Non-current liabilities		
Performance fee	**32**	48
Current liabilities		
Management and performance fees	**42**	37
Accruals and other creditors	**1**	2
	75	87

The carrying value of all liabilities is representative of fair value (2023: same).

13 Issued capital

	As at 31 March 2024		As at 31 March 2023	
	Number	£m	Number	£m
Authorised, issued and fully paid				
Opening balance	**922,350,000**	**1,598**	891,434,010	1,496
Issue of ordinary shares	–	–	30,915,990	102
Closing balance	**922,350,000**	**1,598**	922,350,000	1,598

Reconciliation to Stated capital account

	As at 31 March 2024	As at 31 March 2023
	£m	£m
Proceeds from issue of ordinary shares	**1,598**	1,598
Transfer to retained reserves on 20 December 2007	**(693)**	(693)
Cost of issue of ordinary shares	**(26)**	(26)
Stated capital account closing balance	**879**	879

As at 31 March 2024, the residual value on the Stated capital account was £879 million (2023: £879 million).

14 Per share information

The earnings and net asset value per share attributable to the equity holders of the Company are based on the following data:

Year to 31 March	2024	2023
Earnings per share (pence)		
Basic and diluted	**37.6**	44.0
Earnings (£m)		
Profit after tax for the year	**347**	394
Number of shares (million)		
Weighted average number of shares in issue	**922.4**	895.2
Number of shares at the end of the year	**922.4**	922.4

	As at 31 March	
	2024	2023
Net asset value per share (pence)		
Basic and diluted	**362.3**	336.2
Net assets (£m)		
Net assets	**3,342**	3,101

15 Dividends

	Year to 31 March 2024		Year to 31 March 2023	
Declared and paid during the year	**Pence per share**	**£m**	Pence per share	£m
Interim dividend paid on ordinary shares	**5.950**	**55**	5.575	50
Prior year final dividend paid on ordinary shares	**5.575**	**51**	5.225	47
	11.525	**106**	10.800	97

The Company proposes paying a final dividend of 5.950 pence per share (2023: 5.575 pence) which will be payable to those shareholders that are on the register on 14 June 2024. On the basis of the shares in issue at year end, this would equate to a total final dividend of £55 million (2023: £51 million).

The final dividend is subject to approval by shareholders at the AGM in July 2024 and has therefore not been accrued in these Financial statements.

16 Commitments

As at 31 March 2024, the Company had no commitments (2023: nil).

17 Contingent liabilities

As at 31 March 2024, the Company had no contingent liabilities (2023: nil).

18 Related parties

Transactions between 3i Infrastructure and 3i Group

3i Group holds 29.2% (2023: 29.2%) of the ordinary shares of the Company. This classifies 3i Group as a 'substantial shareholder' of the Company as defined by the Listing Rules. During the year, 3i Group received dividends of £31 million (2023: £29 million) from the Company.

In 2007 the Company committed US$250 million to the India Fund to invest in the Indian infrastructure market. 3i Group also committed US$250 million to the India Fund. The India Fund has reached the end of its life and moved into liquidation and the outstanding commitment is no longer callable. Therefore, no commitments were drawn down by the India Fund from the Company during the year (2023: nil).

3i Investments plc, a subsidiary of 3i Group, is the Company's Alternative Investment Fund Manager and provides its services under an Investment Management Agreement ('IMA'). 3i Investments plc also acts as the Investment Manager of the India Fund. 3i plc, another subsidiary of 3i Group, together with 3i Investments plc, provides support services to the Company (which are ancillary and related to the investment management service), which it is doing pursuant to the terms of the IMA.

Fees under the IMA consist of a tiered management fee and time weighting of the management fee calculation and a one-off transaction fee of 1.2% payable in respect of new investments. The applicable tiered rates are shown in the table below. The management fee is payable quarterly in advance.

Gross investment value	Applicable tier rate
Up to £1.25bn	1.4%
£1.25bn to £2.25bn	1.3%
Above £2.25bn	1.2%

For the year to 31 March 2024, £49 million (2023: £47 million) was payable, including one-off transaction fees payable in respect of new investments, and advance payments of £49 million were made, resulting in an amount due to 3i plc of nil (2023: £2 million). In consideration of the provision of support services under the IMA, the Company pays the Investment Manager an annual fixed fee. The cost for the support services incurred for the year to 31 March 2024 was £1 million (2023: £1 million). There was no outstanding balance payable as at 31 March 2024 (2023: nil).

18 Related parties continued

Under the IMA, a performance fee is payable to the Investment Manager equal to 20% of the Company's total return in excess of 8%, payable in three equal annual instalments. The second and third instalments will only be payable if either (a) the Company's performance in the year in which that instalment is paid also triggers payment of a performance fee in respect of that year, or (b) if the Company's performance over the three years, starting with the year in which the performance fee is earned, exceeds the 8% hurdle on an annual basis. There is no high water mark requirement.

The performance hurdle requirement was exceeded for the year to 31 March 2024 and therefore a performance fee of £26 million was recognised (2023: £45 million). The outstanding balance payable as at 31 March 2024 was £74 million (2023: £83 million), which includes the second and third instalments of the FY23 fee and the third instalment of the FY22 fee.

Year	Performance fee (£m)	Outstanding balance at 31 March (£m)	Payable in FY25 (£m)
FY24	26	26	9
FY23	45	30	15
FY22	54	18	18

Under the IMA, the Investment Manager's appointment may be terminated by either the Company or the Investment Manager giving the other not less than 12 months' notice in writing, or by giving the other six months' notice in writing if the Investment Manager has ceased to be a member of 3i Group, or with immediate effect by either party giving the other written notice in the event of insolvency or material or persistent breach by the other party. The Investment Manager may also terminate the agreement on two months' notice given within six months of a change of control of the Company.

Regulatory information relating to fees

3i Investments plc acts as the AIFM to the Company. In performing the activities and functions of the AIFM, the AIFM or another 3i company may pay or receive fees, commissions or non-monetary benefits to or from third parties of the following nature:

- Payments for third-party services: The Company may retain the services of third-party consultants; typically this is for an independent director or other investment management specialist expertise. The amount paid varies in accordance with the nature of the service and the length of the service period and is usually, but not always, paid or reimbursed by the portfolio companies. The payment may involve a flat fee, retainer or success fee. Such payments, where borne by the Company, are included within Operating expenses. In some circumstances, the AIFM may retain the services of third-party consultants which are paid for by the AIFM and not recharged to the Company; and
- Payments for services from 3i companies: Other 3i companies may provide investment advisory and other services to the AIFM or other 3i companies and receive payment for such service.

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19 Unconsolidated subsidiaries and related undertakings

Name	Place of incorporation and operation	Ownership interest
Investment holding companies:		
3i Tampnet Holdings Limited	UK	100%
3iN Attero Holdco Limited	UK	100%
3i Amalthea Topco Limited	UK	100%
3i Green Gas Limited	Jersey	100%
3i Envol Limited	Jersey	72%
Oystercatcher Holdco Limited	UK	100%
Oystercatcher Luxco 1 S.à r.l.	Luxembourg	100%
Oystercatcher Luxco 2 S.à r.l.	Luxembourg	100%
3i Infrastructure (Luxembourg) S.à r.l. (Dissolved in the year)	Luxembourg	100%
3i Infrastructure (Luxembourg) Holdings S.à r.l. (Dissolved in the year)	Luxembourg	100%
3i India Infrastructure Fund A LP	UK	100%
DNS:NET Group:		
DNS Holdings GmbH	Germany	64%
DNS Bidco GmbH	Germany	64%
DNS:NET Internet Service GmbH	Germany	64%
DNS:NET Netzgesellschaft I Verwalkungs GmbH	Germany	64%
DNS:NET Netzgesellschaft I GmbH & Co. KG	Germany	64%
DNS:NET Breitband Internet GmbH	Germany	64%
Antennen-Schulze GmbH	Germany	64%
ESVAGT Group:		
ERRV Holdings ApS	Denmark	83%
ERRV ApS	Denmark	83%
ESVAGT A/S	Denmark	83%
ESVAGT Holdings Inc	USA	83%
ESVAGT Norge AS	Norway	83%

19 Unconsolidated subsidiaries and related undertakings continued

Name	Place of incorporation and operation	Ownership interest
ESVAGT Holdings Ltd	UK	83%
ESVAGT UK Ltd	UK	83%
Future Biogas Group:		
Future Biogas Holdco Limited	UK	81%
Future Biogas Midco Limited	UK	81%
Future Biogas Bidco Limited	UK	81%
Future Biogas Group Limited	UK	81%
Future Biogas Limited	UK	81%
Future Biogas Systems Limited	UK	81%
Ironstone Energy Limited	UK	81%
Moor Bio-Energy Limited	UK	81%
Little Oak Biogas Limited	UK	81%
Heath Farm Energy Limited	UK	81%
Ridge Road Energy Limited	UK	81%
GCX Group:		
GCX Topco Limited	UK	98%
GCX Midco Limited	UK	98%
GCX Bidco Limited	UK	98%
GCX Holdings Limited	Bermuda	98%
GCX Global Limited	Bermuda	98%
FLAG Telecom Limited	Bermuda	98%
FLAG Telecom Asia Limited	Hong Kong	98%
FLAG Telecom UK Limited	UK	98%
GCX India Services Limited	India	98%
FLAG Atlantic France SAS	France	98%
FLAG Telecom Deutschland GmbH	Germany	98%
FLAG Atlantic UK Limited	UK	98%
FLAG Telecom Nederland B.V.	The Netherlands	98%

19 Unconsolidated subsidiaries and related undertakings continued

Name	Place of incorporation and operation	Ownership interest
FLAG Telecom Singapore Pte Limited	Singapore	98%
GCXG India Private Limited	India	98%
FLAG Telecom Taiwan Limited	Taiwan	59%
FLAG Telecom Development Limited	Bermuda	98%
FLAG Telecom Hellas AE	Greece	98%
FLAG Telecom Development Services Company LLC	Egypt	98%
FLAG Telecom Network Services DAC	Ireland	98%
FLAG Telecom Ireland DAC	Ireland	98%
FLAG Telecom Ireland Network DAC	Ireland	98%
FLAG Telecom Network USA Limited	USA	98%
FLAG Telecom España Network SAU	Spain	98%
FLAG Telecom Japan Limited	Japan	98%
GCX Managed Services Limited	Bermuda	98%
Vanco Group Limited	UK	98%
Vanco UK Limited	UK	98%
Vanco Global Limited	UK	98%
Vanco International Limited	UK	98%
Vanco ROW Limited	UK	98%
Vanco GmbH	Germany	98%
Vanco SAS	France	98%
Vanco (Asia Pacific) Pte Limited	Singapore	98%
Vanco SpZoo	Poland	98%
Vanco NV	Belgium	98%
Euronet Spain SA	Spain	98%
Vanco Switzerland A.G.	Switzerland	98%
Vanco Sweden AB	Sweden	98%
Vanco Srl	Italy	98%
Net Direct SA (Proprietary) Limited	South Africa	98%

19 Unconsolidated subsidiaries and related undertakings continued

Name	Place of incorporation and operation	Ownership interest
Vanco (Shanghai) Co. Ltd	China	98%
Vanco Japan KK	Japan	98%
Vanco South America Ltda	Brazil	98%
Vanco Australasia Pty Limited	Australia	98%
Vanco BV	The Netherlands	98%
Vanco Deutschland GmbH	Germany	98%
VNO Direct Limited	UK	98%
Vanco US, LLC	USA	98%
Vanco Solutions Inc.	USA	98%
Yipes Holdings, Inc.	USA	98%
Reliance Globalcom Services Inc.	USA	98%
YTV Inc.	USA	98%
Infinis Group:		
Infinis Energy Group Holdings Limited	UK	100%
Infinis Energy Management Limited	UK	100%
Infinis Limited	UK	100%
Infinis (Re-Gen) Limited	UK	100%
Novera Energy (Holdings 2) Limited	UK	100%
Novera Energy Generation No. 1 Limited	UK	100%
Novera Energy Operating Services Limited	UK	100%
Gengas Limited	UK	100%
Bidston Methane Limited	UK	100%
Novera Energy Generation No. 2 Limited	UK	100%
Renewable Power Generation Limited	UK	100%
Costessey Energy Limited	UK	100%
Infinis Alternative Energies Limited	UK	100%
Infinis Energy Services Limited	UK	100%
Infinis Energy Storage Limited	UK	100%

Notes to the accounts continued

19 Unconsolidated subsidiaries and related undertakings continued

Name	Place of incorporation and operations	Ownership interest
Infinis (Shoreside) Limited	UK	100%
Balbougie Energy Centre II Limited	UK	100%
Barbican Holdco Limited	UK	100%
Barbican Bidco Limited	UK	100%
Alkane Energy Limited	UK	100%
Alkane Energy UK Limited	UK	100%
Seven Star Natural Gas Limited	UK	100%
Regent Park Energy Limited	UK	100%
Leven Power Limited	UK	100%
Rhymney Power Limited	UK	100%
Alkane Energy CM Holdings Limited	UK	100%
Alkane Energy CM Limited	UK	100%
Infinis Solar Holdings Limited	UK	100%
Infinis Solar Developments Limited	UK	100%
Durham Solar 1 Limited	UK	100%
Infinis Solar Limited	UK	100%
ND Solar Enterprise Limited	UK	100%
Aura Power Solar UK6 Limited	UK	100%
Ionisos Group:		
Epione Holdco SAS	France	96%
Epione Bidco SAS	France	96%
Financière 3TA SAS	France	96%
Financière 3TB SAS	France	96%
Ionisos Holdco SAS	France	96%
Ionisos Bidco SAS	France	96%
Ionisos Mutual Services SAS	France	96%
Ionisos SAS	France	96%

19 **Unconsolidated subsidiaries and related undertakings** continued

Name	Place of incorporation and operations	Ownership
Ionisos GmbH	Germany	96%
Ionmed Esterilizacion SA	Spain	96%
Scandinavian Clinics Estonia OÜ	Estonia	96%
Steril Milano Srl (in liquidation as of 31 March 2024)	Italy	96%
EBD Irradiation Services AG	Switzerland	96%
Joulz Group:		
Joulz Holdco B.V.	The Netherlands	99%
Joulz Manco B.V.	The Netherlands	83%
Joulz Bidco B.V.	The Netherlands	99%
Joulz Diensten B.V.	The Netherlands	99%
Joulz Meetbedrijf B.V.	The Netherlands	99%
Joulz Infradiensten B.V.	The Netherlands	99%
Joulz Laadoplossingen B.V.	The Netherlands	99%
Joulz Zonne-energie B.V.	The Netherlands	99%
Joulz Zonne-energie Beheer B.V.	The Netherlands	99%
Dutch Durables Energy 2 B.V.	The Netherlands	99%
Dutch Durables Energy 5 B.V.	The Netherlands	99%
Dutch Durables Energy 6 B.V.	The Netherlands	99%
SRL Traffic Systems Group:		
Amalthea Holdco Limited	UK	92%
Amalthea Midco Limited	UK	92%
Amalthea Bidco Limited	UK	92%
Jupiter Bidco Limited	UK	92%
SRL Traffic Systems Limited	UK	92%
SRL GmbH	Germany	92%
SRL Traffic Systems Limited	Ireland	92%
TCR Group:		
Envol Holdings Limited	Jersey	69%

Notes to the accounts continued

19 Unconsolidated subsidiaries and related undertakings continued

Name	Place of incorporation and operations	Ownership
Envol Midco Limited	UK	69%
Envol Investments Limited	UK	69%
TCR Group Shared Services SDN, BHD.	Malaysia	69%
TCR New Zealand	New Zealand	69%
TCR APAC (Singapore) Pte Limited	Singapore	69%
TCR Ground Support Equipment Canada Inc.	Canada	69%
DCL Aviation Group Inc.	Canada	69%
TCR GSE Singapore Pte Limited	Singapore	69%
TCR AD LLC	UAE	69%
TCR Middle East LLC	Saudi Arabia	69%
TCR CapVest S.A.	Belgium	69%
TCR GSE Australia PLY Limited	Australia	69%
EEM Solution PLY Limited	Australia	69%
Adaptalift GSE Pty Limited	Australia	69%
Adaptalift GSE Singapore Pte Limited	Singapore	69%
TCR Solution SDN, BHD.	Malaysia	69%
TCR International USA, Inc.	USA	69%
TCR Americas LLC	USA	69%
TCR International N.V.	Belgium	69%
KES B.V.	The Netherlands	69%
Trailer Construction & Repairing Netherland (TCR) B.V.	The Netherlands	69%
TCR Belgium N.V.	Belgium	69%
TCR France SAS	France	69%
Aerobatterie SAS	France	69%
Aerolima IMMS S.à.r.l.	Luxembourg	69%
Aerolima Ingénierie SAS	France	69%
TCR UK Limited	UK	69%
Technical Maintenance Solutions UK Limited	UK	69%

19 Unconsolidated subsidiaries and related undertakings continued

Name	Place of incorporation and operations	Ownership
TCR-GmbH Trailer, Construction, Repairing and Equipment Rental	Germany	69%
Trailer Construction & Repairing Ireland Limited	Ireland	69%
TCR Italia S.p.A.	Italy	69%
TCR Norway AS	Norway	69%
TCR Sweden AB	Sweden	69%
TCR Denmark ApS	Denmark	69%
TCR Finland OY	Finland	69%
Trailer Construction and Repairing Iberica S.A.U.	Spain	69%
Dormant entities:		
3i WIG Limited	Jersey	100%
3i Osprey LP	UK	69%

The list above comprises the unconsolidated subsidiary undertakings of the Company as at 31 March 2024.

There are no current commitments or intentions to provide financial or other support to any of the unconsolidated subsidiaries, including commitments or intentions to assist the subsidiaries in obtaining financial support, except for those disclosed in Note 16 (2023: none). No such financial or other support was provided during the year (2023: none).

Investment policy (unaudited)

The Company aims to build a diversified portfolio of equity investments in entities owning infrastructure businesses and assets. The Company seeks investment opportunities globally, but with a focus on Europe, North America and Asia.

The Company's equity investments will often comprise share capital and related shareholder loans (or other financial instruments that are not shares but that, in combination with shares, are similar in substance). The Company may also invest in junior or mezzanine debt in infrastructure businesses or assets.

Most of the Company's investments are in unquoted companies. However, the Company may also invest in entities owning infrastructure businesses and assets whose shares or other instruments are listed on any stock exchange, irrespective of whether they cease to be listed after completion of the investment, if the Directors judge that such an investment is consistent with the Company's investment objectives.

The Company will, in any case, invest no more than 15% of its total gross assets in other investment companies or investment trusts which are listed on the Official List.

The Company may also consider investing in other fund structures (in the event that it considers, on receipt of advice from the Investment Manager, that that is the most appropriate and effective means of investing), which may be advised or managed either by the Investment Manager or a third party. If the Company invests in another fund advised or managed by 3i Group, the relevant proportion of any advisory or management fees payable by the investee fund to 3i plc will be deducted from the annual management fee payable under the Investment Management Agreement and the relevant proportion of any performance fee will be deducted from the annual performance fee, if payable, under the Investment Management Agreement.

For the avoidance of doubt, there will be no similar set-off arrangement where any such fund is advised or managed by a third party.

For most investments, the Company seeks to obtain representation on the Board of Directors of the investee company (or equivalent governing body) and in cases where it acquires a majority equity interest in a business, that interest may also be a controlling interest.

No investment made by the Company will represent more than 25% of the Company's gross assets, including cash holdings, at the time of making the investment. It is expected that most individual investments will exceed £50 million. In some cases, the total amount required for an individual transaction may exceed the maximum amount that the Company is permitted to commit to a single investment. In such circumstances, the Company may consider entering into co-investment arrangements with 3i Group (or other investors who may also be significant shareholders), pursuant to which 3i Group and its subsidiaries (or such other investors) may co-invest on the same financial and economic terms as the Company. The suitability of any such co-investment arrangements will be assessed on a transaction-by-transaction basis.

Depending on the size of the relevant investment and the identity of the relevant co-investor, such a co-investment arrangement may be subject to the related party transaction provisions contained in the Listing Rules and may therefore require shareholder consent.

The Company's Articles require its outstanding borrowings, including any financial guarantees to support subsequent obligations, to be limited to 50% of the gross assets of the Company (valuing investments on the basis included in the Company's accounts).

In accordance with Listing Rules requirements, the Company will only make a material change to its investment policy with the approval of shareholders.

Portfolio valuation methodology (unaudited)

A description of the methodology used to value the investment portfolio of the Company is set out below in order to provide more detailed information than is included within the accounting policies and the Investment Manager's review for the valuation of the portfolio. The methodology complies in all material aspects with the International Private Equity and Venture Capital valuation guidelines which are endorsed by the British Private Equity and Venture Capital Association and Invest Europe.

Basis of valuation

Investments are reported at the Directors' estimate of fair value at the reporting date in compliance with IFRS 13 Fair Value Measurement. Fair value is defined as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'.

General

In estimating fair value, the Directors seek to use a methodology that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the overall portfolio. The methodology that is the most appropriate may consequently include adjustments based on informed and experience-based judgements, and will also consider the nature of the industry and market practice. Methodologies are applied consistently from period to period, except where a change would result in a better estimation of fair value. Given the uncertainties inherent in estimating fair value, a degree of caution is applied in exercising judgements and making necessary estimates.

Investments may include portfolio assets and other net assets/liabilities balances. The methodology for valuing portfolio assets is set out below. Any net assets/liabilities within intermediate holding companies are valued in line with the Company accounting policy and held at fair value or approximate to fair value.

Quoted investments

Quoted equity investments are valued at the closing bid price at the reporting date. In accordance with International Financial Reporting Standards, no discount is applied for liquidity of the stock or any dealing restrictions. Quoted debt investments will be valued using quoted prices provided by third-party broker information where reliable or will be held at cost less fair value adjustments.

Unquoted investments

Unquoted investments are valued using one of the following methodologies:

- Discounted Cash Flow ('DCF');
- Proportionate share of net assets;
- Sales basis; and
- Cost less any fair value adjustments required.

Portfolio valuation methodology (unaudited) continued

DCF

DCF is the primary basis for valuation. In using the DCF basis, fair value is estimated by deriving the present value of the investment using reasonable assumptions and estimation of expected future cash flows, including contracted and uncontracted revenues, expenses, capital expenditure, financing and taxation, and the terminal value and date, and the appropriate risk-adjusted discount rate that quantifies the risk inherent to the investment. The terminal value attributes a residual value to the investee company at the end of the projected discrete cash flow period. The discount rate will be estimated for each investment derived from the market risk-free rate, a risk-adjusted premium and information specific to the investment or market sector.

Proportionate share of net assets

Where the Company has made investments into other infrastructure funds, the value of the investment will be derived from the Company's share of net assets of the fund based on the most recent reliable financial information available from the fund. Where the underlying investments within a fund are valued on a DCF basis, the discount rate applied may be adjusted by the Company to reflect its assessment of the most appropriate discount rate for the nature of assets held in the fund. In measuring the fair value, the net asset value of the fund is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, illiquid nature of the investments and other specific factors of the fund.

Sales basis

The expected sale proceeds will be used to assign a fair value to an asset in cases where offers have been received as part of an investment sales process. This may either support the value derived from another methodology or may be used as the primary valuation basis. A marketability discount is applied to the expected sale proceeds to derive the valuation where appropriate.

Cost less fair value adjustment

Any investment in a company that has failed or, in the view of the Board, is expected to fail within the next 12 months, has the equity shares valued at nil and the fixed income shares and loan instruments valued at the lower of cost and net recoverable amount.

Information for shareholders

Financial calendar

Ex-dividend date for final dividend	13 June 2024
Record date for final dividend	14 June 2024
Annual General Meeting	4 July 2024
Final dividend expected to be paid	12 July 2024
Half-yearly results	12 November 2024

Designation of dividends as interest distributions

As an approved Investment Trust, the Company is permitted to designate dividends wholly or partly as interest distributions for UK tax purposes. Dividends designated as interest in this way are taxed as interest income in the hands of shareholders and are treated as tax deductible interest payments made by the Company. The Company expects to make such dividend designations in periods in which it is able to use the resultant tax deduction to reduce the UK corporation tax it would otherwise pay on the interest income it earns from its investments. The Board is designating 3.20 pence of the 5.95 pence final dividend payable in respect of the year as an interest distribution.

The Common Reporting Standard

Tax legislation under the Organisation for Economic Co-operation and Development ('OECD') Common Reporting Standard for Automatic Exchange of Financial Account Information requires investment trust companies to provide information about certain shareholders in the Company to HMRC. As an investment trust company, 3i Infrastructure plc is required to provide information annually to HMRC on certain certificated shareholders and corporate entities. This information includes country of tax residency as well as details of shares held and dividends received. HMRC may in turn exchange such information with the tax authorities of another country or countries in which the shareholder may be tax resident, where those countries (or tax authorities in those countries) have entered into agreements with the UK to exchange financial account information.

Certain shareholders have been and will in future be sent a self-certification form for the purposes of collecting the required information.

Boiler room and other scams

Shareholders should be wary of any unsolicited investment advice, offers to buy shares at a discounted price or offers to buy 3i Infrastructure plc shareholdings. These fraudsters use persuasive and high-pressure tactics to lure shareholders into scams. We continue to be aware of calls to current and former 3i Infrastructure plc shareholders.

The FCA has found that victims of share fraud are often seasoned investors with victims losing an average of £20,000.

Please keep in mind that firms authorised by the FCA are unlikely to contact you unexpectedly with an offer to buy or sell shares. You should consider getting independent financial or professional advice before you hand over any money or even share any information with them.

If you receive any unsolicited approaches or investment advice, you should proceed with caution. Steps that you might wish to take could include the following:

- always ensure the firm is on the FCA Register and is allowed to give financial advice before handing over your money. You can check at www.fca.org.uk/register;
- double-check the caller is from the firm they say they are – ask for their name and telephone number and say you will call them back. Check their identity by calling the firm using the contact number listed on the FCA Register. This is important as there have been instances where an authorised firm's website has been cloned but with a few subtle changes, such as a different phone number or false email address;
- check the FCA's list of known unauthorised overseas firms. However, these firms change their name regularly, so even if a firm is not listed it does not mean they are legitimate. Always check that they are listed on the FCA Register; and
- if you have any doubts, call the FCA Consumer Helpline on 0800 111 6768. If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme.

Information for shareholders continued

Registrars

The Company's Registrar is Link Market Services (Jersey) Limited (the 'Registrar'). The Registrar's main responsibilities include maintaining the shareholder register and making dividend payments. Their registered address is as follows:

Link Market Services (Jersey) Limited
IFC 5
St. Helier
Jersey JE1 1ST
Channel Islands

If you have any queries relating to your 3i Infrastructure plc shareholding, you should contact the Registrar as follows:

Online

www.my3inshares.com. From here you will be able to securely email Link with your query.

Telephone

0371 664 0300

Overseas enquiries

+44 371 664 0300*

By post

Link
PXS 1 Central Square
29 Wellington Street
Leeds LS1 4DL

* Calls from outside the UK will be charged at the applicable international rate. Lines are open between 9.00am and 5.30pm, Monday to Friday excluding public holidays in England and Wales.

Investor relations and general enquiries

For all investor relations and general enquiries about 3i Infrastructure plc, please contact:

Thomas Fodor
Investor Relations
3i Infrastructure plc
16 Palace Street
London SW1E 5JD

email: thomas.fodor@3i.com
Telephone: +44 (0)20 7975 3469

For full up-to-date investor relations information, including the latest share price, recent reports, results presentations and financial news, please visit the investor relations page on our website. **www.3i-infrastructure.com**

If you would prefer to receive shareholder communications electronically, including your Annual reports and notices of meetings, please go to **www.3i-infrastructure.com/investors/shareholder-centre** for details of how to register.

Frequently used Registrars' forms can be found on our website at **www.3i-infrastructure.com/investors/shareholder-centre.**

3i Infrastructure plc
Registered Office
IFC 6, The Esplanade
St. Helier
Jersey JE2 3BZ
Channel Islands
www.3i-infrastructure.com

Glossary

AI refers to artificial intelligence.

Alternative Investment Fund ('AIF') 3i Infrastructure plc is an AIF managed by 3i Investments plc.

Alternative Investment Fund Manager ('AIFM') is the regulated manager of an AIF. For 3i Infrastructure plc, this is 3i Investment plc.

AIFMD refers to the Alternative Investment Fund Managers Directive, a regulatory framework that applies to EU-registered private equity funds.

Approved Investment Trust Company This is a particular UK tax status maintained by 3i Infrastructure plc. An approved Investment Trust company is a UK tax resident company which meets certain conditions set out in the UK tax rules, which include a requirement for the company to undertake portfolio investment activity that aims to spread investment risk and for the company's shares to be listed on an approved exchange. The 'approved' status for an investment trust must be agreed by the UK tax authorities and its benefit is that certain profits of the company, principally its capital profits, are not taxable in the UK.

Asset IRR refers to the internal rate of return of the existing and realised portfolio since the inception of the Company. The asset IRR to 31 March 2024 is 18% (2023: 19%). This calculation incorporates the cost of each investment, cash income, proceeds on disposal, capital returns, valuation as at 31 March 2024, including accrued income and an allocation of foreign exchange hedging.

Association of Investment Companies ('AIC') The Association of Investment Companies is a UK trade body for closed-ended investment companies.

Board the Board of Directors of the Company.

Capex refers to capital expenditure which is money a company uses to acquire, upgrade, and maintain physical assets such as property, plants, buildings, technology, or equipment. Capex is often used to undertake new projects or investments by a company which add some future economic benefit to the operation.

Capital reserve recognises all profits that are capital in nature or have been allocated to capital. These profits are distributable by way of a dividend.

Company 3i Infrastructure plc.

CPI refers to the consumer price index and is a measure of inflation.

Discounting The reduction in present value at a given date of a future cash transaction at an assumed rate, using a discount factor reflecting the time value of money.

E-Beam refers to electron beams, a method of sterilisation used by Ionisos.

EBITDA, or earnings before interest, taxes, depreciation and amortisation, is a measure of a company's financial performance.

EO refers to ethylene oxide, a method of sterilisation used by Ionisos.

ERRV is an Emergency Rescue and Response Vessel.

ESG refers to environmental, social and governance.

EV or electric vehicle a vehicle that can be powered by an electric motor.

External auditor the independent auditor, Deloitte LLP.

Fair value through profit or loss ('FVTPL') is an IFRS measurement basis permitted for assets and liabilities which meet certain criteria. Gains and losses on assets and liabilities measured as FVTPL are recognised directly in the Statement of comprehensive income.

FTTC refers to fibre-to-the-cabinet. This describes the fibre-optic cable in place from the local telephone exchange to a distribution point, commonly called a roadside cabinet.

FTTH refers to fibre-to-the-home. This describes the fibre-optic connection to individual homes or buildings.

FY15, FY16, FY19, FY22, FY23, FY24, FY25 refers to the financial years to 31 March 2015, 31 March 2016, 31 March 2019, 31 March 2022, 31 March 2023, 31 March 2024 and 31 March 2025, respectively.

GAAP refers to generally accepted accounting principles.

GHG refers to greenhouse gases.

GDP or gross domestic product is the standard measure of the value created through the production of goods and services in a country during a certain period.

Initial Public Offering ('IPO') is the mechanism by which a company admits its stock to trading on a public stock exchange. 3i Infrastructure plc completed its IPO in March 2007.

International Financial Reporting Standards ('IFRS') are accounting standards issued by the International Accounting Standards Board ('IASB'). The Company's Financial statements are required to be prepared in accordance with IFRS, as adopted by the UK.

Glossary continued

Investment income is that portion of income that is directly related to the return from individual investments and is recognised as it accrues. It is comprised of dividend income, income from loans and receivables, and fee income. It is recognised to the extent that it is probable that there will be an economic benefit and the income can be reliably measured.

IRR refers to the internal rate of return and is a metric used to estimate the profitability of investments.

Key Performance Indicator ('KPI') is a measure by reference to which the development, performance or position of the Company can be measured effectively.

Long-term sustainable returns are returns that can be sustained into the long term.

M&A or mergers and acquisitions refers to the consolidation of companies or their major assets through financial transactions between companies.

Money multiple is calculated as the cumulative distributions or realisation proceeds plus any residual value divided by invested or paid-in capital.

MWp refers to a Megawatt peak, a unit of measurement for the output of power from a source such as solar or wind where the output may vary according to the strength of sunlight or wind speed. MWp is a measure of the maximum potential output of power.

Net annualised return is the annualised growth rate in NAV per share to 31 March 2024, including ordinary and special dividends paid. The net annualised return since the inception of the Company to 31 March 2024 was 14% (2023: 14%) and since the change in strategy in FY16 to 31 March 2024 was 18% (2023: 19%).

Net asset value ('NAV') is a measure of the fair value of all the Company's assets less liabilities.

Net assets per share ('NAV per share') is the NAV divided by the total number of shares in issue.

Net gains on investments is the movement in the fair value of investments between the start and end of the accounting period, or investment disposal date, or the investment acquisition date and the end of the accounting period, including divestment-related costs where applicable, converted into sterling using the exchange rates in force at the end of the period.

Ongoing charges A measure of the annual recurring operating costs of the Company, expressed as a percentage of average NAV over the reporting period.

Paris Agreement is an international treaty on climate change, adopted in 2015.

Public Private Partnership ('PPP') is a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies.

Retained reserves recognise the cumulative profits to 15 October 2018, together with amounts transferred from the Stated capital account.

Revenue reserve recognises all profits that are revenue in nature or have been allocated to revenue.

Revolving credit facility ('RCF') A £900 million facility provided by the Company's lenders with a maturity date in November 2026.

RPI refers to the retail price index and is a measure of inflation.

SBTi refers to the Science Based Targets initiative, a corporate climate action organisation.

SORP means the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts.

SOV is a service operation vessel.

Stated capital account the Stated capital account of the Company represents the cumulative proceeds recognised from share issues or new equity issued on the conversion of warrants made by the Company net of issue costs and reduced by any amount that has been transferred to Retained reserves, in accordance with Jersey Company Law, in previous years.

Sustainability KPIs Sustainability metrics in relation to the sustainability-linked revolving credit facility. The facility includes targets across ESG themes aligned with our purpose.

TCFD is the Task Force on Climate-related Financial Disclosures.

Total return measured as a percentage, is calculated against the opening NAV, net of the final dividend for the previous year, and adjusted (on a time-weighted average basis) to take into account any equity issued and capital returned in the year.

Total shareholder return ('TSR') is the measure of the overall return to shareholders and includes the movement in the share price and any dividends paid, assuming that all dividends are reinvested on their ex-dividend date.