8 May 2024

Results for the year to 31 March 2024

3i Infrastructure plc ('3i Infrastructure' or the 'Company') today announces an 11.4% return for the year, delivery of the FY24 dividend target of 11.90 pence and a 6.3% increase in the target dividend for FY25 to 12.65 pence per share.

Richard Laing, Chair of 3i Infrastructure plc, said:

"3i Infrastructure continues to deliver long-term sustainable returns. I am pleased to report that we achieved another year of outperformance, with a total return of 11.4% in the year ended 31 March 2024. This is the tenth consecutive year that the Company has met or exceeded its target return."

Scott Moseley and Bernardo Sottomayor, Managing Partners, Co-Heads of European Infrastructure, 3i Investments plc, added:

"This was another strong year for the Company, once again exceeding its target return. This is a well-established and differentiated portfolio, demonstrating strong growth characteristics. We have confidence in its potential for continued value creation."

Performance highlights

Outperformed our target return of 8-10% p.a.	11.4% Total return on opening NAV £347m Total return for the year £3,342m NAV 362.3p NAV per share
Delivered FY24 dividend target, fully covered Setting higher target for FY25 dividend, up 6.3% year-on-year	11.90p Full year dividend per share for FY24 12.65p Target dividend per share for FY25

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For further information regarding the announcement of the results for 3i Infrastructure plc, please visit www.3i-infrastructure.com. A recording of the analyst presentation will be made available on this website during the day.

Notes to the preliminary announcement

Note 1
The statutory accounts for the year to 31 March 2024 have not yet been delivered to the Jersey Financial Services Commission. The statutory accounts for the year to 31 March 2023 have been delivered to the Jersey Financial Services Commission. The auditor’s reports on the statutory accounts for these years are unqualified. This announcement does not constitute statutory accounts. The preliminary announcement is prepared on the same basis as set out in the statutory accounts for the year to 31 March 2023.

Note 2
Subject to shareholder approval, the proposed final dividend is expected to be paid on 12 July 2024 to holders of ordinary shares on the register on 14 June 2024. The ex-dividend date for the final dividend will be on 13 June 2024.

Note 3
This report contains Alternative Performance Measures ('APMs'), which are financial measures not defined in International Financial Reporting Standards ('IFRS'). More information relating to APMs, including why we use them and the relevant definitions, can be found in the Company's 2024 Annual report and accounts and in the Financial review section.

Note 4
The preliminary announcement has been extracted from the Annual report and accounts 2024. The Annual report and accounts 2024 will be available on the Company’s website today. Printed copies of the Annual report and accounts 2024 will be distributed to shareholders who have elected to receive printed copy communications on or soon after 22 May 2024.

Notes to editors

About 3i Infrastructure plc
3i Infrastructure plc is a Jersey-incorporated, closed-ended investment company, an approved UK Investment Trust, listed on the London Stock Exchange and regulated by the Jersey Financial Services Commission. The Company's purpose is to invest responsibly in infrastructure, delivering long-term sustainable returns to shareholders and having a positive influence on our portfolio companies and their stakeholders.

3i Investments plc, a wholly-owned subsidiary of 3i Group plc, is authorised and regulated in the UK by the Financial Conduct Authority and is the investment manager of 3i Infrastructure plc.

This statement has been prepared solely to provide information to shareholders. It should not be relied on by any other party or for any other purpose. It and the Company's Annual report and accounts may contain statements about the future, including certain statements about the future outlook for 3i Infrastructure plc. These are not guarantees of future performance and will not be updated. Although we believe our expectations are based on reasonable assumptions, any statements about the future outlook are subject to a number of risks and uncertainties and could change. Factors which could cause or contribute to such differences include, but are not limited to, general economic and market conditions and specific factors affecting the financial prospects or performance of individual investments within the portfolio of 3i Infrastructure plc.

This press release is not for distribution (directly or indirectly) in or to the United States, Canada, Australia or Japan and is not an offer of securities for sale in or into the United States, Canada, Australia or Japan. Securities may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or an exemption from registration under the Securities Act. Any public offering to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or selling security holder and will contain detailed information about 3i Group plc, 3i Infrastructure plc and management, as applicable, as well as financial statements. No public offering in the United States is currently contemplated.

Our purpose

We invest responsibly in infrastructure, delivering long-term sustainable returns to shareholders and having a positive influence on our portfolio companies and their stakeholders.

Chair's statement

"Another year of outperformance from our unique portfolio."

Richard Laing
Chair, 3i Infrastructure

3i Infrastructure continues to deliver long-term sustainable returns, with another year of outperformance.

I am pleased to report that we achieved another year of outperformance, with a total return of 11.4% in the year ended 31 March 2024. That return is ahead of our target to provide shareholders with a total return of 8% to 10% per annum, to be achieved over the medium term. We have consistently achieved or surpassed our return target over the long term. Additionally, we have raised the dividend per share every year since the Company's inception in 2007.

The Company is unique in the listed infrastructure sector. We have built a diverse portfolio of businesses that are aligned with long-term megatrends. Our companies, supported by the engaged asset management approach of 3i, our Investment Manager, are generating attractive and accretive growth investment opportunities.

The dedicated environmental, social and governance ('ESG') team at the Investment Manager works closely with our portfolio companies, supporting them in the development and implementation of their own sustainability strategies.

I am grateful to all of the Investment Manager's team for their hard work and dedication, as well as to shareholders and the Board of Directors for their support during the year.

Our purpose

Our purpose, is to invest responsibly in infrastructure, delivering long-term sustainable returns to shareholders and having a positive influence on our portfolio companies and their stakeholders.

We invest across a broad range of infrastructure investment themes and highlight the strong growth prospects of our portfolio companies in this report. Our portfolio companies invest in, develop and actively manage essential infrastructure. The progress of our portfolio companies along our sustainability pathway is included in the Sustainability section of the Annual report and accounts 2024.

Performance

The Company generated a total return of £347 million in the year ended 31 March 2024, or 11.4% on opening NAV, ahead of our target of 8% to 10% per annum to be achieved over the medium term. This is discussed in more detail in the Review from the Managing Partners.

The NAV per share increased to 362.3 pence. Our share price has not kept pace with the growth in our NAV, which resulted in a Total shareholder return ('TSR') of 8.1% in the year, marginally behind that of the FTSE 250, which returned 8.7% in the same period. Since the IPO, the Company's annualised TSR is 11.5%, comparing favourably with the broader market (FTSE 250: 6.3% annualised over the same period).

Dividend

Following the payment of the interim dividend of 5.95 pence per share in January 2024, the Board is recommending a final dividend for the year of 5.95 pence per share, meeting our target for the year of 11.90 pence per share, 6.7% above last year's total dividend. We expect the final dividend to be paid on 12 July 2024.

Consistent with our progressive dividend policy, we are announcing a total dividend target for the year ending 31 March 2025 of 12.65 pence per share, representing an increase of 6.3%.

AGM and Board

This year's Annual General Meeting ('AGM') will be held on 4 July 2024. Further details are provided in the Notice of Meeting and on the Company's website, www.3i-infrastructure.com. In July 2023, we were delighted to welcome Martin Magee as a non-executive Director, replacing Paul Masterton. We also welcomed Jennifer Dunstan as the 3i Group plc ('3i Group') nominated non-executive Director, replacing Ian Lobley.

Both Martin and Jennifer will stand for election at the AGM. Wendy Dorman and Samantha Hoe-Richardson will retire from the Board at the conclusion of the 2024 AGM. We thank Paul, Ian, Wendy and Samantha very much for their strong contributions to the Board, and in particular for Paul and Wendy's accomplished tenures as Senior Independent Director and Chair of the Audit and Risk Committee respectively. Stephanie Hazell was appointed as the new Senior Independent Director and Chair of the Remuneration Committee, whilst Martin will succeed Wendy as Chair of the Audit and Risk Committee at the conclusion of the 2024 AGM.

Outlook

After further interest rate increases at the start of the financial year, there are signs that the interest rate curve may be stabilising. Our portfolio companies are well financed, and the Company has remained disciplined in its investment approach and balance sheet management. We expect to repay drawings on the Company's revolving credit facility ('RCF') through realisation of assets over time, as we did during the year following the sale of Attero.

Our portfolio consists of resilient businesses providing essential services to their customers and the communities they serve, aligned with long-term megatrends. We continue to see accretive growth opportunities through our existing platform investments and are prioritising these over adding new companies to the portfolio. We remain well positioned to continue our strong performance.

Richard Laing
Chair, 3i Infrastructure plc
7 May 2024

2007 to 2024

In the 17 years since the IPO the Company has delivered a total shareholder return of

11.5%
per annum

Review from the Managing Partners

“Our portfolio continues to outperform.”

Scott Moseley and Bernardo Sottomayor
Managing Partners, Co-Heads of European Infrastructure
3i Investments plc

This was another strong year for the Company, once again exceeding its target return.

We delivered another strong total return this year of 11.4%.

Since 2015, when we adopted our current strategy of focusing on core-plus infrastructure investments, NAV per share including dividends has grown by 18% per annum.

Our track record represents top quartile performance when benchmarked across all infrastructure managers, including those investing through private funds.

3i Infrastructure plc is unique in the listed infrastructure sector. We have proven our value-creation model consistently through sourcing attractive opportunities, active asset management and successfully managing exit processes. The realisation of Attero in November at an IRR of 22% and a money multiple of 2.7x is a good example of this.

We have constructed a portfolio that is diversified across industries, geographies and risk factors and exhibits fundamental growth trends through the economic cycle.

This year we have seen continued earnings momentum at our largest assets. Our portfolio companies’ earnings are typically positively correlated to inflation, as well as growing in real terms.

We actively engage with the management teams at our portfolio companies to pursue value-accretive initiatives, such as expanding into adjacent markets and/or geographies, identifying and executing on add-on acquisitions or establishing an appropriate capital structure for the business.

We take a prudent approach to the use of leverage. The average level of gearing within our portfolio companies is a relatively modest 32% (2023: 33%) of enterprise value, and there are no material refinancing requirements within the portfolio before 2027. The strong operational cash generation by the portfolio companies and available credit in the RCF ensures that we are well placed to finance growth investment opportunities as they arise.

This combination of earnings growth and investment in accretive capital expenditure results in a compounding growth dynamic that generates attractive risk-adjusted returns for shareholders.

Competitive landscape

A number of infrastructure managers have shifted from middle market to large cap investment strategies over time. This creates a visible route to exit for 3iN’s investments. We have also seen a number of high-profile private market manager acquisitions, such as BlackRock’s acquisition of Global Infrastructure Partners. This is in anticipation of rapid growth in the infrastructure sector and is indicative of continued growth of buyer interest for our existing portfolio.

We are seeing a number of attractive opportunities to invest through our portfolio. One example of this was TCR’s acquisition of KLM’s equipment services subsidiary, KES, funded by TCR’s own resources.

Sustainability

Our dedicated ESG team continued to work closely with portfolio company management teams to enhance their ESG maturity. The team continued to evolve the systems and processes in place around ESG to increase their robustness and level of automation, including the roll-out of new data collection software. 3i Group committed to set near-term science-based emissions reduction targets in April 2023. We are working with our portfolio companies to support their adoption of science-based emission reduction targets.

In the year ahead we plan to work with portfolio company management teams to refine their data collection and calculation methodologies, including the calculation of Scope 3 greenhouse gas (‘GHG’) emissions and, in a number of cases, actively support them in the development of their decarbonisation plans.

Investment and divestment activity

During the year we completed a number of transactions as shown in the table below:

Date	Activity
June 2023	Investment of £5 million in Ionisos to support the acquisition of an E-Beam plant in Switzerland
June 2023	Investment of a further £20 million to fund DNS:NET's fibre roll-out programme
September 2023	Investment of a further £35 million in Future Biogas to fund the construction of a new Anaerobic Digestion ('AD') plant
November 2023	Investment of a further £30 million in Future Biogas to fund the acquisition of two AD plants
November 2023	Sale of Attero for £183 million
March 2024	Investment of a further £14 million to fund DNS:NET's fibre roll-out programme

Outlook

We have carefully constructed our portfolio to feature companies that are supported by long-term growth trends. We believe the quality and defensive characteristics of the portfolio will enable it to deliver attractive returns throughout the economic cycle. This was the case through the recent period of high inflation, energy prices and interest rates and before that, during Covid. We have a clear strategy to deliver long-term sustainable returns through focusing on earnings growth and accretive capital investment largely funded by our portfolio companies' own resources. This approach, combined with the scarcity value of our assets, means we are confident about the 3iN portfolio's potential for continued value creation.

Scott Moseley and Bernardo Sottomayor
Managing Partners and Co-Heads of European Infrastructure, 3i Investments plc
7 May 2024

Realisation - Attero

Realisation in November 2023

€214m

Net proceeds received

2.7x

Return on investment (Total cash return over cost)

22%

Gross IRR

Key achievements during our ownership include:

- Acquired a 50% stake through a bilateral non-competitive process in 2018, alongside DWS as a trusted co-investor. Syndication of 3iN stake for portfolio risk management
- Doubled EBITDA over five years. Spent €99 million cumulatively on growth projects
- Outperformed the ambitious underwriting case substantially and delivered a strong value-creation plan:
  - Commissioned a new 120MW turbine, capable of producing enough electricity in one hour to power a household for 25 years
  - Commissioned a new plastics recycling plant
  - Installed solar farms on landfill sites
  - Renovated composting sites to deliver c.20 million m^3 of biogas and biomethane p.a.
  - Diversified sources of waste imports, thereby materially reducing concentration risk
  - Refinanced with long-term, portable debt before interest rate cycle turned
- The investment in Attero delivered private equity-style returns together with an infrastructure cash yield (c.11% p.a) - a very strong outcome

Our business model

Introduction

Unique offering for shareholders

The Company remains unique, providing public market investors with access to private infrastructure businesses across a variety of megatrends, sectors and geographies.

Investment discipline

We acquire private businesses that provide essential infrastructure services. We remain a disciplined investor and, where possible, seek opportunities to transact off-market, only participating in competitive processes where we believe we have a distinct advantage.

We have an infrastructure-focused investment team, with an extensive network and access spanning the geographies where we invest. Our reputation, local presence and the relationships we develop with management teams provide us with competitive advantages.

Active asset management

We maintain a significant focus on active asset management and investment stewardship. We identify high-calibre management teams and look to implement a clear business strategy. We help identify accretive growth opportunities with the portfolio companies, and actively support them to deliver those opportunities, including executing add-on M&A and putting in place adequate capital structures and capital expenditure (‘capex’) facilities to fund the associated investments.

We actively seek to enhance the infrastructure characteristics of the businesses we acquire, ensuring that, where possible, we direct capex toward immediate contracted revenue-generating assets, improving the infrastructure characteristics of the business to attract competitive financing, adding elements of service that create customer stickiness, and often implementing operational efficiency programmes to optimise EBITDA margins. All of this helps us maximise the potential exit value.

We typically execute all of the above through ownership control, ensuring appropriate Board representation and composition, direct involvement in the companies’ key workstreams and incentivising and aligning management teams.

Investment focus

Competition for new investment primarily comes from private infrastructure funds. Most other UK-listed infrastructure funds typically target smaller investments in finite life contracted assets like operational and greenfield Public Private Partnership (‘PPP’) projects or operational renewable portfolios, which are outside our investment focus.

Our primary investment focus remains mid-market core-plus infrastructure with controlling majority or significant minority positions and strong governance rights, whilst adhering to a set of core investment characteristics and risk factors.

Investment characteristics

Characteristics commonly found across our portfolio

We look to build and maintain a diversified portfolio of assets, across a range of geographies and sectors, whilst adhering to a set of core investment characteristics and risk factors.

The Investment Manager has a rigorous process for identifying, screening and selecting investments to pursue. We look for businesses that combine a base of strong cash flow resilience (for example, contracted revenues) with high through-cycle underlying market growth fundamentals and operational improvements, and M&A opportunities, which allows us to deliver above target returns. Although investments may be made into a range of sectors, the Investment Manager typically focuses on identifying investments that meet most or all of the following criteria and are aligned with identified megatrends:

Asset-intensive business Owning or having exclusive access under long-term contracts to assets that are essential to deliver the service	**Good visibility of future cash flows** Long-term contracts or sustainable demand that allow us to forecast future performance with a reasonable degree of confidence
Asset bases that are hard to replicate Assets that require time and significant capital or technical expertise to develop, with low risk of technological disruption	**An acceptable element of demand or market risk** Businesses that have downside protection, but the opportunity for outperformance
Provide essential services Services that are an integral part of a customer’s business or operating requirements, or are essential to everyday life	**Opportunities for further growth** Opportunities to grow or to develop the business into new markets, either organically or through targeted M&A
Established market position Businesses that have a long-standing position, reputation and relationship with their customers – leading to high renewal and retention rates	**Sustainability** Businesses that meet or are committed to meeting the criteria set out in our Responsible Investment policy and will work with us to enhance their ESG maturity

How we create value

We invest responsibly in infrastructure to create long-term value for stakeholders.

Enablers	Investment characteristics	How we create value	Value created	
			Financial	**Non-financial**
Investment Manager's team 3i Group network Engaged asset management Reputation and brand Dedicated ESG team Robust policies and procedures Efficient balance sheet	Asset-intensive business Asset bases that are hard to replace Provide essential services Established market position Good visibility of future cash flows An acceptable element of demand or market risk Opportunities for further growth Sustainability	Buy well Strong governance Optimise strategy Execute plan Realisation	11.4% Total return on opening NAV 11.90p Ordinary dividend per share 18% Asset IRR (since inception)	5 Further investments in existing portfolio companies to fund growth +17% Increase in installed renewable energy capacity 100% Portfolio companies reporting on GHG emissions

We have a rigorous approach to identify the best investment opportunities and then actively manage our portfolio companies to drive sustainable growth and value creation.

1. Buy well

- Effective use of 3i's network
- Comprehensive due diligence
- Consistent with return/yield targets
- Fits risk appetite

2. Strong governance

- Make immediate improvements
- Appropriate board representation and composition
- Incentivise and align management teams

3. Optimise strategy

- Agree strategic direction
- Develop action plan
- Right capital structure to fund growth plan
- Enhance ESG maturity

4. Execute plan

- Ongoing support
- Monitor performance
- Review further investment opportunities
- Facilitate and execute M&A

5. Realisation

- Position business and enhance infrastructure characteristics to maximise exit value
- Long-term view but will sell to maximise shareholder value

What we do is framed by our strategic priorities

What enables us to create value

Investment Manager's team

The Company is managed by an experienced and well-resourced team. The European infrastructure team was established by 3i Group in 2005.

The partners in the Investment Management team, have a combined infrastructure investment experience of 114 years and have been at 3i for a combined 86 years.

We have a very experienced group of infrastructure investment professionals, supported by dedicated finance, tax, legal, operations, ESG and strategy teams.

3i Group's network

3i Group has a network of offices, advisers and business relationships across Europe. The Investment Management team leverages this network to identify, access and assess opportunities to invest in businesses, on a bilateral basis where possible, and to position the Company favourably in auction processes.

Engaged asset management

We create value from our investments through the Investment Manager's engaged asset management approach. Through this approach, the Investment Manager partners with our portfolio companies' management teams to develop and execute a strategy to create long-term sustainable value. Examples of this partnership include: developing strategies that support investment in the portfolio company's asset base over the long term; continued improvements in operational performance; and establishing governance models that promote an alignment of interests between management and stakeholders.

We develop and supplement management teams, often bringing in a non-executive chair early in our ownership.
Examples of this engaged asset management approach can be found on our website, www.3i-infrastructure.com.

Strengthen portfolio company management teams	Invest in and develop companies with a clear strategy	Grow our platform businesses through further investments

Reputation and brand

The Investment Manager and the Company have built a strong reputation and track record as investors by investing and managing their business and portfolio responsibly and by carrying out their activities according to high standards of conduct and behaviour. This has been achieved through upholding the highest standards of governance, at the Investment Manager, the Company and in portfolio companies. This in turn has earned the trust of shareholders, other investors and portfolio companies, and has enabled the Investment Manager to recruit and develop employees who share those values and ambitions for the future.

The Board seeks to maintain this strong reputation through a transparent approach to corporate reporting, including on our progress on driving sustainability through our operations and portfolio. We are committed to communicating in a clear, open and comprehensive manner and to maintaining an open dialogue with stakeholders.

Robust policies and procedures

Established investment and asset management processes are supported by the Investment Manager's comprehensive set of best practice policies, including governance, conduct and anti-bribery.

Efficient balance sheet

The Company's flexible funding model seeks to maintain an efficient balance sheet with sufficient liquidity to make new investments or support portfolio companies.

Since FY15 the Company has raised equity three times and returned capital to shareholders twice following successful realisations.

Dedicated ESG team

In FY23, the Investment Manager created a new team to lead ESG and sustainability initiatives across the portfolio. The ESG team's role is to ensure the Company's approach is right for the portfolio and to drive genuine ambition and progress at portfolio company level.

Dedicated ESG resource enables us to identify, monitor and realise the value-creation opportunities linked to sustainability for relevant portfolio companies more effectively and to identify and manage sustainability risks.

The team supports each portfolio company in enhancing its ESG maturity, in line with the sustainability pathway. The team also leads ESG reporting for the Company and delivers the annual ESG review of the portfolio.

The Investment Manager is committed to constructing and managing the Company's portfolio in accordance with the Investment Manager's Responsible Investment policy, which covers a range of ESG issues including climate.
Sustainability and ESG standards are discussed throughout the Annual Report and Accounts 2024.

"There is a strong link between companies that have high ESG standards and those that are able to achieve long-term sustainable business growth."

Anna Dellis
Partner, 3i Investments plc

Megatrends

Megatrends significantly influence our world, affecting decision-making and changing the demands placed on our economy and services. Identifying the potential for growth across businesses, sectors and countries serves as a key driver in our investment decision-making and asset management processes.

We seek to diversify the Company's portfolio across a range of megatrends that will provide a supportive environment for long-term sustainable returns to shareholders across the economic cycle. We also continually assess underlying risk factors, both when considering new investment opportunities and in managing the existing portfolio and its exposure to certain risks, such as commodity prices and foreseeable technological disruptions

Investment themes

We constantly seek out structural growth trends that will provide long-term tailwinds throughout the GDP cycle, 'Megatrends'. A selection of the related investment themes are explained below.

Renewable energy generation
There is increasing demand for energy generated from renewable sources such as wind and solar to support the energy transition. Our investments in Infinis, Future Biogas, and Valorem all generate energy from a variety of renewable sources and their combined installed capacity has grown significantly during our ownership.

Electrification/energy transition
The transition towards a low-carbon economy is gathering pace. Rising electricity consumption is increasing the demand for related equipment and services such as those provided by Joulz, which has expanded its offering to include solar and EV charging products.

Shared resources
Developed economies are experiencing a shift towards a shared resources model. This can lead to significant cost savings for users of capital intensive assets and also reduce overall greenhouse gas emissions. In the case of TCR, which provides pooled ground support equipment ('GSE') at airports, this has reduced the amount of equipment required.

Automation/digital operations
Technology is developing rapidly, changing operating models and digitalising industrial processes to enhance efficiency, streamline processes, and improve overall performance. Tampnet and GCX are benefitting from their customers' increasing use of AI, automation, cloud computing, and other digital technologies.

Demand for healthcare
Increasing life expectancy and an ageing population are increasing the demand for healthcare-related services and infrastructure. Our investment in Ionisos, which provides cold sterilisation services to the medical and pharmaceutical industries amongst others, is aligned to this trend.

Smart cities
Technology is increasingly being used to enhance the efficiency and safety of urban areas. SRL's products allow for more efficient control of traffic flows, which in turn reduces congestion around roadworks, and improves safety.

Urbanisation
Migration from rural areas to urban centres continues, imposing higher requirements on the infrastructure in and around cities. This imposes a need for upgraded water, gas, electricity, transportation and communication networks. For example, Joulz is offering integrated solutions to address challenges such as grid congestion.

Our strategy

Our strategy is to maintain a balanced portfolio of infrastructure investments delivering an attractive mix of income yield and capital appreciation for shareholders.

Strategic priorities

Maintaining a balanced portfolio	Delivering an attractive mix of income yield and capital growth for shareholders. Investing in a diversified portfolio in developed markets, with a focus on the UK and Europe.	**16%** **Largest single investment by value**
Disciplined approach to new investment	Focusing selectively on investments that are value-enhancing to the Company's portfolio and with returns consistent with our objectives.	**£104m** **Follow-on investment in the financial year**
Managing the portfolio intensively	Driving value from our portfolio through our engaged asset management approach. Delivering growth through investment in platforms with growth potential.	**5** **Follow-on investments in portfolio companies in the financial year** **5** **Portfolio companies refinanced in the financial year**
Maintaining an efficient balance sheet	Minimising return dilution to shareholders from holding excessive cash, while retaining a good level of liquidity for future investment.	**£395m** **Total liquidity**
Sustainability a key driver of performance	Ensuring that our investment decisions and asset management approach consider both the risks and opportunities presented by sustainability.	**2** **Companies with validated science-based targets**

Our objectives and KPIs

Our objectives are to provide shareholders with:

a total return of 8% to 10% per annum, to be achieved over the medium term

Our KPIs

Total return (% on opening NAV)

Year	Total return
2020	11.4%
2021	9.2%
2022	17.2%
2023	14.7%
2024	**11.4%**
Target	**8%-10%**

Target

To provide shareholders with a total return of 8% to 10% per annum, to be achieved over the medium term.

Met or exceeded target for 2024 and every prior year shown

Rationale and definition

- Total return is how we measure the overall financial performance of the Company
- Total return comprises the investment return from the portfolio and income from any cash balances, net of management and performance fees and operating and finance costs. It also includes foreign exchange movement and movement in the fair value of derivatives and taxes
- 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

Performance over the year

- Total return of £347 million in the year, or 11.4% on opening NAV
- The portfolio showed good resilience overall with strong performance in particular from TCR, Tampnet and Valorem, and the return generated from the sale of Attero
- The performance of DNS:NET detracted from the portfolio return
- The hedging programme continues to reduce the volatility in NAV from exchange rate movements
- Costs were managed in line with expectations

a progressive annual dividend per share

Annual distribution (pence per share)

Year	Annual distribution
2020	9.20p
2021	9.80p
2022	10.45p
2023	11.15p
2024	**11.90p**
2025 Target	**12.65p**

Target

Progressive dividend per share policy. FY25 dividend target of 12.65 pence per share.

Dividend per share increased every year since IPO

Rationale and definition

- This measure reflects the dividends distributed to shareholders each year
- The Company's business model is to generate returns from portfolio income and capital returns (through value growth and realised capital profits). Income, other portfolio company cash distributions and realised capital profits generated are used to meet the operating costs of the Company and to make distributions to shareholders
- The dividend is measured on a pence per share basis, and is targeted to be progressive

Performance over the year

- Proposed total dividend of 11.90 pence per share, or £110 million, is in line with the target set at the beginning of the year
- Income generated from the portfolio and cash deposits, including non-income cash distributions and other income from portfolio companies, totalled £208 million for the year
- Operating costs and finance costs used to assess dividend coverage totalled £88 million in the year
- The dividend was fully covered for the year
- Setting a total dividend target for FY25 of 12.65 pence per share, 6.3% higher than for FY24

Portfolio review

The portfolio is generating strong growth momentum supported by long-term tailwinds. We are confident that it will continue to generate attractive further investment opportunities and is well positioned to deliver our target returns.

The Company's portfolio was valued at £3,842 million at 31 March 2024 (2023: £3,641 million) and delivered a total portfolio return in the year of £460 million, including income and allocated foreign exchange hedging (2023: £501 million).
Table 1 summarises the valuations and movements in the portfolio, as well as the return for each investment, for the year.

Table 1: Portfolio summary (31 March 2024, £m)

Portfolio assets	Directors' valuation 31 March 2023	Investment in the year	Divestment in the year	Accrued income movement	Value movement	Foreign exchange translation	Directors' valuation 31 March 2024	Allocated foreign exchange hedging	Underlying portfolio income in the year	Portfolio total return in the year[1]
TCR	537	22[2]	(25)[4]	(5)	92	(13)	608	13	23	**115**
ESVAGT	485	48[2]	–	2	7	(11)	531	12	49	**57**
Infinis	407	–	(3)[4]	(3)	20	–	421	–	18	**38**
GCX	323	29[2]	–	(6)	6	(7)	345	8	31	**38**
Tampnet	292	6[2]	–	–	54	(9)	343	10	13	**68**
Ionisos	298	14[2,3]	–	–	2	(8)	306	10	9	**13**
Joulz	287	7[2]	(1)[4]	–	22	(9)	306	9	7	**29**
Oystercatcher	254	–	(12)[4]	–	15	(9)	248	9	3	**18**
SRL	219	20[2]	–	–	1	–	240	–	21	**22**
Valorem	188	–	–	–	47	(5)	230	6	4	**52**
DNS:NET	179	44[3]	–	–	(55)	(4)	164	6	11	**(42)**
Future Biogas	28	66[2,3]	–	2	4	–	100	–	3	**7**
Attero	144	–	(183)	(1)	44	(4)	–	4	1	**45**
Total portfolio reported in the Financial statements	**3,641**	**256**	**(224)**	**(11)**	**259**	**(79)**	**3,842**	**87**	**193**	**460**

1 This comprises the aggregate of value movement, foreign exchange translation, allocated foreign exchange hedging and underlying portfolio income in the year.
2 Capitalised interest totalling £152 million across the portfolio.
3 These amounts include follow-on investments in Ionisos (£5 million), DNS:NET (£34 million) and Future Biogas (£65 million).
4 Shareholder loan repayment (non-income cash).

The total portfolio return in the year of £460 million was 12.3% (2023: £501 million, 15.1%) of the aggregate of the opening value of the portfolio and follow-on investments (excluding capitalised interest), which totalled £3,745 million.

Performance was strong across the portfolio, driven by outperformance from a number of portfolio companies, but particularly TCR, Tampnet and Valorem and the return generated from the sale of Attero. Whilst progress has been made during the year at DNS:NET, its fibre network rollout remains challenging.

Table 2 shows the portfolio return in the year for each asset as a percentage of the aggregate of the opening value of the asset and investments in the asset in the year (excluding capitalised interest). Note that this measure does not time-weight for investments and syndications in the year and includes foreign exchange movements net of hedging.

Table 2: Portfolio return by asset (year to 31 March 2024)

Total portfolio return	**12.3%**
TCR	21.4%
ESVAGT	12.0%
Infinis	9.4%
GCX	12.1%
Tampnet	23.4%
Ionisos	4.4%
Joulz	10.3%
Oystercatcher	7.1%
SRL	10.0%
Valorem	27.5%
DNS:NET	(20.3)%
Future Biogas	8.1%
Attero*	30.5%

* Divested in November 2023 and return not annualised.

Movements in portfolio value

The movements in portfolio value were driven principally by the delivery of planned cash flows and other asset outperformance as well as follow-on investments made during the year. A reconciliation of the movement in portfolio value is shown in Table 3. The portfolio summary shown in Table 1 details the analysis of these movements by asset. Changes to portfolio valuations arise due to several factors, as shown in Table 4.

The portfolio generated a value gain of £259 million (2023: £320 million) in the year, alongside income of £193 million (2023: £156 million).

Table 3: Reconciliation of the movement in portfolio value (year to 31 March 2024, £m)

Opening portfolio value at 1 April 2023	**3,641**
Investment[1]	256
Divestment/capital repaid	(224)
Value movement	259
Exchange movement[2]	(79)
Accrued income movement	(11)
Closing portfolio value at 31 March 2024	**3,842**

1 Includes capitalised interest.
2 Excludes movement in the foreign exchange hedging programme (see Table 12 in the Financial review section).

Portfolio activity

Our renewable energy generating companies; Infinis, Valorem and Future Biogas, performed well in the year despite softer spot and forecast energy prices. All have made substantial progress in developing their pipelines of new projects towards and into operation. This is reflected in an overall increase in installed capacity from 979MW to 1,147MW over the year, as shown in the Sustainability section of the Annual Report and Accounts 2024.

Infinis had a strong financial performance despite lower UK power prices. It generated a value gain of £20 million as its captured landfill methane business outperformed expectations, compensating for lower margins from its power response assets. Furthermore, Infinis is making significant progress in developing its 1.4GW solar energy generation and battery storage pipeline, with 103MW of solar capacity already operational.

Valorem had a very good year with revenues from electricity generation ahead of expectations due to favourable wind conditions contributing to a value gain of £47 million. The company's closed capacity now totals 853MW of wind, solar and hydro projects, a 10% increase from the previous year.

Valorem completed the sale of a minority stake in part of its French operational portfolio on attractive terms, demonstrating the strong appetite for its projects and raising capital to finance development of future projects. This was supplemented by issuance of euro private placement debt for the first time.

In France, the market fundamentals for renewable developers remains strong, as evidenced by the increase in recent auction tariff levels due to demand for projects exceeding supply. The construction of Valorem's new projects in Finland and Greece are progressing according to or ahead of plan. The company has expanded its development pipeline from 5.7GW to 6.6GW, including securing partnerships for co-developments in Poland and Sweden.

Future Biogas performed in line with expectations due to good services revenues and index-linked contracts. The company has a promising pipeline of organic growth and M&A opportunities.

During the year, Future Biogas signed a new 15-year gas supply agreement with AstraZeneca ('AZ') for unsubsidised green gas. To deliver this green gas, it is constructing the UK's first unsubsidised AD plant. In September 2023, 3iN invested £35 million to fund the plant's construction, which will supply 100GWh of biomethane to AZ's UK sites.

In November 2023, 3iN invested a further £30 million to fund the acquisition of two AD plants that Future Biogas was already managing. These strategic investments continue to transition Future Biogas from a manager of third-party biogas plants to a leading developer, asset owner and operator. The company is actively exploring viable sites for constructing new AD plants, and the interest from high-quality corporate partners is encouraging.

TCR materially outperformed expectations, resulting in a substantial increase in value by £92 million. This performance was driven by several factors, including significant contract wins, extensions and higher fleet utilisation rates. The company is benefitting from the combination of the post-Covid aviation recovery, high interest rate environment making on-balance sheet options less attractive for customers, and the green agenda in Europe driving strong demand for new electric ground service equipment.

In February 2024, TCR completed the bolt-on acquisition of KES, KLM Royal Dutch Airline's ground equipment services subsidiary at Schiphol airport, adding incremental contracted EBITDA with a flagship European carrier and positioning TCR to support Schiphol's decarbonisation ambitions. TCR's footprint now spans more than 200 airports, positioning it well to grow organically with its existing clients as well as increasing market penetration of its full-service rental offering. To support its next phase of expansion, TCR successfully secured additional debt from existing and new lenders on attractive terms.

ESVAGT performed well in the year, benefitting from strong contract rates and high utilisation levels. As the clear market leader in European offshore wind service operation vessels ('SOVs') provision, ESVAGT currently operates nine vessels. A further four SOVs are under construction, specifically designed to serve long-term charter agreements, and construction progress is on track. Despite inflationary pressure causing delays and cancellations in wind farm development, regulators and governments have become more supportive of incentivising growth in offshore wind.

Inflation, while negatively impacting the construction cost of the near-term pipeline, has a positive effect on ESVAGT due to its index-linked contracts, which enhance the value of its operational SOV fleet. The offshore wind market remains on a positive trajectory and this is reflected in the pipeline for additional new SOVs in the North Sea and the rapidly expanding US wind market. Over the next 12 months, we anticipate several tenders to take place.

ESVAGT's emergency rescue and response vessels ('ERRVs') segment also maintained positive momentum, driven by favourable supply/demand dynamics, and an increased emphasis on security of supply in Europe.

Joulz performed in line with expectations. It is benefitting from its inflation-linked long-term contracts and the completion of new installations. Joulz has seen significant interest in integrated energy transition solutions from customers seeking to decarbonise their operations and overcome constraints due to electricity grid congestion.

Our communications infrastructure investments, Tampnet, GCX and DNS:NET, are taking advantage of the acceleration in digitalisation trends.

Tampnet performed extremely well in the year, generating a value gain of £54 million. It exceeded revenue and EBITDA targets, driven by increased offshore activity and stronger demand for bandwidth upgrades.

Tampnet is continuing to expand its network infrastructure by pursuing new fibre projects in both the North Sea and the Gulf of Mexico. Notably, Tampnet secured significant new contracts in these regions.

Digitalisation of the offshore energy sector is gaining momentum and Tampnet's digitisation proposition, which combines low-latency connectivity with services such as private networks, is generating considerable interest.

Tampnet's private networks offer a secure, closed 4G/5G system deployed on offshore platforms, providing robust connectivity and enhanced security compared to traditional Wi-Fi solutions.

Furthermore, Tampnet is actively engaged in carbon capture and offshore wind projects within its existing network in the North Sea. The business was awarded its first offshore carbon sequestration connection in March 2024. The potential for further comparable initiatives is substantial and Tampnet is strategically positioned to contribute to their success.

GCX has shown strong year-on-year growth in lease revenues and has recently signed several large bulk capacity deals on its Middle East and intra-Asia subsea routes. Financial performance was held back by a high level of cable cuts which have now been repaired. The sales pipeline is healthy and demand for subsea data capacity continues to grow, driven by increasing adoption of AI applications and substantial investments in capacity and route diversification by the hyperscalers.

Looking ahead, GCX is evaluating several attractive growth opportunities, for example, acquiring new subsea capacity and developing new edge data centres near its cable landing stations that will drive additional data on its subsea network.

DNS:NET received investment of £34 million during the year from 3iN to continue the development of its FTTH network in areas around Berlin and in the State of Brandenburg. A new CEO joined DNS:NET in July 2023. He has overseen the preparation of an updated business plan that was agreed with shareholders in December 2023. We are making good progress in building a strengthened and experienced management team.

FTTH network rollouts in Germany remain challenging. Passing homes has been the industry's primary focus to date. Connecting and activating customers to the network on a timely basis is an industry-wide challenge. The negative value movement in the year was driven by more conservative business plan assumptions for DNS:NET's FTTH rollout. Throughout the year, DNS:NET has focused on connecting backbone fibre infrastructure and home connections for its owned network, as well as on securing the handover of leased networks built by authorities in the neighbouring State of Saxony-Anhalt, making good progress in the number of its connected and activated customers as a result.

The company is now preparing for the next stages in its network delivery in a way that narrows the time lag between passing homes and connecting and activating customers on that FTTH network to improve performance.

We have increased the discount rate to reflect uncertainties over available debt pricing for fibre businesses in future years and the delay against the original rollout timetable.

Ionisos performed below expectations due to reduced bio-processing and labware volumes, which have returned to pre-Covid levels, and weaker demand in markets connected to the construction industry which represents a small share of treatment capacity. However, the majority of product categories sterilised by Ionisos continue to exhibit strong volume growth. Ionisos is making progress in its growth initiatives. The expansion of its new greenfield EO plant in Kleve, Germany is progressing and the development of the new X-ray greenfield facility in north east France is proceeding according to schedule and within budget.

Oystercatcher performed well in the year. Advario Singapore Limited ('Advario Singapore'), which is 45% owned by Oystercatcher, benefitted from high utilisation levels for its storage capacity, high customer activity levels and higher rates being secured at contract renewal. Whilst the oil products market remains in backwardation, a tight storage market in Singapore and the wider region provided a helpful backdrop to renewal discussions. Advario Singapore remains the leading gasoline blending facility in Singapore and the wider region.

The company has continued to pursue opportunities linked to sustainable fuels, in line with its sustainability strategy. Building on its success to date with Neste, which is blending sustainable aviation fuel ('SAF') at Advario Singapore, the terminal had actively looked to expand its role in activities to supply sustainable transport fuels.

SRL performed slightly behind expectations during the financial year. There has been a reduction in general market activity levels due to delays in capital expenditure programmes within the public sector in advance of the UK general election, and in the telecom sector as the fibre rollout has slowed.

Despite this challenging market environment, SRL has shown resilience and continued to grow its revenue and EBITDA. It has also been successful in extending contract durations with customers, providing better revenue visibility.

Summary of portfolio valuation methodology

Investment valuations are calculated at the half-year and at the financial year end by the Investment Manager and then reviewed by the Board. Investments are reported at the Directors' estimate of fair value at the relevant reporting date.

The valuation principles used are based on International Private Equity and Venture Capital ('IPEV') valuation guidelines, generally using a discounted cash flow ('DCF') methodology (except where a market quote is available), which the Investment Manager considers to be the most appropriate valuation methodology for unquoted infrastructure equity investments.

Where the DCF methodology is used, the resulting valuation is checked against other valuation benchmarks relevant to the particular investment, including, for example:

- earnings multiples;
- recent transactions; and
- quoted market comparables.

In determining a DCF valuation, we consider and reflect changes to the two principal inputs: being forecast cash flows from the investment; and discount rates.

We consider both the macroeconomic environment and investment-specific value drivers when deriving a balanced base case of cash flows and selecting an appropriate discount rate.

The inflation rate in the UK and Europe gradually declined during the year but remains above the long-term average, which has put pressure on supply chain and employee costs.

Our inflation assumptions use market forecasts for 2024 and 2025, followed by our long-term assumption of 2% CPI across all jurisdictions, or 2.5% for UK RPI.

The portfolio is positively correlated to inflation, but the ability to pass cost inflation to customers differs across portfolio companies. As a result, we take an individualised approach to modelling the impact of inflation.

Longer-term power prices affect the valuation of our energy generating portfolio companies. The majority of our power price exposure is hedged in the short to medium term.

Future power price projections are taken from independent forecasters, and changes in these assumptions will affect the future value of these investments. Taxes on renewable electricity generators vary in their applicability and we have considered their impact on each company individually, based on their circumstances.

Table 4: Components of value movement (year to 31 March 2024, £m)

Value movement component	Value movement in the year	Description
Planned growth	**162**	Net value movement resulting from the passage of time, consistent with the discount rate and cash flow assumptions at the beginning of the year less distributions received and capitalised interest in the year.
Other asset performance	**166**	Net value movement arising from actual performance in the year and changes to future cash flow projections, including financing assumptions and changes to regulatory assumptions.
Discount rate movement	**(29)**	Value movement relating to changes in the discount rates applied to the portfolio cash flows.
Macroeconomic assumptions	**(40)**	Value movement relating to changes to macroeconomic out-turn or assumptions, eg. power prices, inflation, interest rates and taxation rates. This includes changes to regulatory returns that are directly linked to macroeconomic variables.
Total value movement before exchange	**259**	
Foreign exchange retranslation	**(79)**	Movement in value due to currency translation to year-end date.
Total value movement	**180**	

As a ‘through-the-cycle’ investor with a strong balance sheet, we consider valuations in the context of the longer-term value of the investments. This includes consideration of climate change risk and stranded asset risk.

Factors considered include physical risk, litigation risk linked to climate change, and transition risk (for example, assumptions on the timing and extent of decommissioning of North Sea oil fields, which affects Tampnet and ESVAGT).

We take a granular approach to these risks, for example, each relevant offshore oil and gas field has been assessed individually to forecast the market over the long term, and a low terminal value has been assumed at the end of the forecast period.

In the case of stranded asset risk, we consider long-term threats that may impact value materially over our investment horizon, for example, technological evolution, climate change or societal change.

For ESVAGT, which operates ERRVs in the North Sea servicing sectors, including the oil and gas market, we do not assume any new vessels or replacement vessels in our valuation for that segment of the business.

A number of our portfolio companies are set to benefit from these long-term megatrends and, in the base case for each of our valuations, we take a balanced view of potential factors that we estimate are as likely to result in underperformance as outperformance.

Discount rate

Table 5 shows the movement in the weighted average discount rate applied to the portfolio at the end of each year since the Company’s inception and the position as at 31 March 2024. The weighted average discount rate remained unchanged over the course of FY24.

The range of discount rates used in individual valuations at 31 March 2024 is also shown, which is broadly consistent with the prior year (2023: 10.0% to 13.2%).

During the first half of the year, we witnessed an increase in risk-free rates across Europe as central banks took action in response to higher inflation, but this then decreased in the second half of the year as inflationary pressure eased. Given the significant risk premium included in our long-term discount rates and the continued appetite for high-quality infrastructure businesses, the volatility we have seen in risk-free rates did not impact the discount rates used to value our portfolio companies at 31 March 2024.

Table 5: Portfolio weighted average discount rate (31 March, %)

March 08	12.4
March 09	13.8
March 10	12.5
March 11	13.2
March 12	12.6
March 13	12.0
March 14	11.8
March 15	10.2
March 16	9.9
March 17	10.0
March 18	10.5
March 19	10.8
March 20	11.3
March 21	10.8
March 22	10.9
March 23	11.3
March 24	11.3
March 24 range	10.0 to 14.0

Portfolio company debt

Our portfolio companies are funded by long-term senior-secured debt alongside equity from the Company and other shareholders. Valorem also uses project financing in its portfolio of renewable energy projects. There were no mezzanine or junior debt structures within our portfolio at 31 March 2024 (2023: none).

In recent years, the Investment Manager has proactively refinanced facilities across the portfolio, extending the term of the debt and securing low fixed rates or hedged interest rates.

When considering the appropriate quantum of debt for a portfolio company, we typically look for an investment grade level of risk. Some portfolio companies have an investment grade credit rating from a credit rating agency. Table 6 below shows the average loan-to-value ('LTV') ratio across the portfolio as well as the portfolio value analysed across a range of LTV levels. The average LTV ratio is 32% (2023: 33%).

Table 6: Portfolio company leverage* (3iN value as at 31 March 2024, £m)

Net debt / Enterprise value ('LTV')	3iN value
< 25%	588
26% - 30%	651
31% - 35%	1,070
36% - 40%	1,138
41% +	164
Average LTV[1]	32%

1 LTV is calculated as the aggregate Net Debt to Enterprise Value ratio of the individual portfolio companies.

* This analysis excludes Valorem, which is financed at the project level. Project financing typically employs higher levels of gearing.

Investment track record

As shown in Table 7, since its launch in 2007, 3i Infrastructure has built a portfolio that has provided:

- significant income, supporting the delivery of a progressive annual dividend;
- consistent capital growth; and
- strong capital profits from realisations.

These have contributed to an 18% annualised asset Internal Rate of Return ('IRR') since the Company's inception. The European portfolio has generated strong returns, in line with, or in many cases ahead of, expectations.

These returns were underpinned by substantial cash generation in the form of income or capital profits.

The value created through this robust investment performance has been crystallised in a number of instances through well-managed realisations, shown as 'Realised assets' in Table 7.

While the Company is structured to hold investments over the long term, it has sold assets where compelling offers will generate additional shareholder value.

Portfolio asset returns in Table 7 include an allocation of foreign exchange hedging where applicable.

Table 7: Portfolio asset returns throughout holding period (since inception, £m)

	Money multiple	IRR	Total cost	Value including accrued income	Proceeds on disposals/ capital returns	Cash income
Existing portfolio (Total return)						
TCR	2.2 x		304	608	4	57
ESVAGT	1.6 x		329	531	–	2
Infinis	1.8 x		352	421	91	121
GCX	1.1 x		318	345	–	15
Tampnet	2.0 x		187	343	–	27
Joulz	1.7 x		195	306	3	24
Ionisos	1.7 x		191	306	–	10
Oystercatcher	3.3 x		139	248	47	168
SRL	1.3 x		191	240	1	4
Valorem	3.2 x		81	230	–	27
DNS:NET	0.7 x		239	164	–	6
Future Biogas	1.1 x		93	100	–	–
Realised assets (Total return)						
Attero	2.7 x	22%	88	–	207	29
WIG	1.7 x	27%	265	–	431	21
XLT	5.9 x	40%	63	–	332	38
Elenia	4.5 x	31%	195	–	766	106
AWG	3.3 x	16%	173	–	410	154
Eversholt	3.3 x	41%	151	–	391	114
Projects	1.9 x	22%	289	–	446	103
Others[1]	1.2 x	8%	138	–	145	24
India Fund[2]	0.6 x	(6)%	108	–	61	–

Portfolio asset returns include allocation of foreign exchange hedging where applicable.

1 Others includes junior debt portfolio, T2C and Novera.
2 India Fund refers to the 3i India Infrastructure Fund.

Asset IRR to 31 March 2024
18%
Since inception

Financial review

“We delivered another year of outperformance and an increased dividend.”

James Dawes
CFO, 3i Infrastructure

The Company achieved robust growth in its NAV and increased its dividend per share.

Key financial measures (year to 31 March)	2024	2023
Total return[1]	**£347m**	£394m
NAV	**£3,342m**	£3,101m
NAV per share	**362.3p**	336.2p
Total income[2]	**£194m**	£158m
Total income and non-income cash	**£208m**	£202m
Portfolio asset value	**£3,842m**	£3,641m
Cash balances	**£5m**	£5m
Total liquidity[3]	**£395m**	£404m

1 IFRS Total comprehensive income for the year.
2 Total income comprises Investment income and Interest receivable.
3 Includes cash balances of £5 million (2023: £5 million) and £390 million (2023: £399 million) undrawn balances available under the Company’s £900 million RCF.

The Company delivered another year of outperformance, with the portfolio generating robust capital growth. The dividend was fully covered by net income. The target dividend for FY25 of 12.65 pence per share is an increase of 6.3% over FY24.

Total net investment in the year was £104 million, comprising two further investments in both DNS:NET and Future Biogas and one further investment in Ionisos. The Company maintained low levels of uninvested cash throughout the year and actively managed its liquidity position through drawing on its £900 million RCF. Amounts drawn under the RCF at 31 March 2024 were £510 million (2023: £501 million).

Returns

Total return

The Company generated a total return for the year of £347 million, representing an 11.4% return on opening NAV net of the prior year final dividend (2023: £394 million, 14.7% time-weighted for equity issued in the year). This performance is again ahead of the target return of 8% to 10% per annum, to be achieved over the medium term.

This outperformance was driven by strong performance across the portfolio, particularly from TCR, Tampnet and Valorem, and the strong return generated from the sale of Attero, partially offset by underperformance from DNS:NET. Changes in the valuation of the Company’s portfolio assets are described in the Movements in portfolio value section of the Portfolio review. Our portfolio companies continue to generate discretionary growth opportunities that are accretive to our investment cases.

Total income and non-income cash of £208 million in the year was higher than last year, due to a full year of income from new investments made last year in GCX, TCR and Future Biogas, and strong income levels from Tampnet (2023: £202 million).

Non-income cash receipts reflect distributions from underlying portfolio companies, which would usually be income to the Company, but which are distributed as a repayment of investment for a variety of reasons. Whilst non-income cash does not form part of the total return shown in Table 8, it is included when considering dividend coverage.

An analysis of the elements of the total return for the year is shown in Table 8.

Table 8: Summary total return (year to 31 March, £m)

	2024	2023
Capital return (excluding exchange)	**259**	320
Foreign exchange movement in portfolio	**(79)**	19
Capital return (including exchange)	**180**	339
Movement in fair value of derivatives and exchange on EUR borrowings	**87**	6
Net capital return	**267**	345
Total income	**194**	158
Costs[1]	**(114)**	(109)
Total return	**347**	394

1 Includes non-portfolio related exchange movement of nil (2023: gain of £2 million).

Table 9: Reconciliation of the movement in NAV (year to 31 March 2024, £m)

Opening NAV at 1 April 2023[1]	**3,050**
Capital return	259
Net foreign exchange movement[2]	8
Total income	194
Net costs including management fees	(114)
NAV before distributions	**3,397**
Distribution to shareholders	(55)
Closing NAV at 31 March 2024	**3,342**

1 Opening NAV of £3,101 million net of final dividend of £51 million for the prior year.

2 Foreign exchange movements are described in Table 12

Capital return

The capital return is the largest element of the total return. The portfolio generated a value gain of £259 million in the year to 31 March 2024 (2023: £320 million), as shown in Table 9. There was a positive contribution across the majority of the portfolio and the largest contributors were TCR (£92 million), Tampnet (£54 million) and Valorem (£47 million). The only negative contribution was from DNS:NET (£55 million). These value movements are described in the Portfolio review section.

Income

The portfolio generated income of £193 million in the year (2023: £156 million). Of this amount, £9 million was through dividends (2023: £1 million) and £184 million through interest on shareholder loans (2023: £155 million). In addition, the Company earned £0.5 million of interest receivable on deposits (2023: £0.1 million).

Total income and non-income cash is shown in Table 10.

Table 10: Total income and non-income cash (year to 31 March, £m)

	2024	2023
Total income	**194**	158
Non-income cash	**14**	44
Total	**208**	202

A strong income contribution from Tampnet and a full year of income from the new investment made in GCX in FY23 offset the reduction in income from the sale of Attero. A breakdown of portfolio income is provided in Table 13, together with an explanation of the change from prior year.

Interest income from the portfolio was higher than prior year due to a full year of income from the new investments made in FY23 in GCX, TCR and Future Biogas. Dividend income was higher than prior year due to dividend income from Tampnet.

Foreign exchange impact

The portfolio is diversified by currency as shown in Table 11. We aim to deliver steady NAV growth for shareholders, and the foreign exchange hedging programme helps us to do this by reducing our exposure to fluctuations in the foreign exchange markets.

Portfolio foreign exchange movements, after accounting for the hedging programme, increased the net capital return by £8 million (2023: £25 million).

Table 11: Portfolio value by currency (as at 31 March 2024)

EUR	48%
GBP	20%
DKK	14%
USD	9%
NOK	9%

As shown in Table 12, the reported foreign exchange loss on investments was £(79) million (2023: gain of £19 million). This was fully offset by an £87 million gain on the hedging programme (2023: £6 million). The positive hedge benefit resulted from favourable interest rate differentials on the hedging programme.

Table 12: Impact of foreign exchange ('FX') movements on portfolio value (year to 31 March 2024, £m)

FX loss before hedging	(79)
FX gain after hedging	8

Table 13: Breakdown of portfolio income (year to 31 March, £m)

	Dividend (FY24)	**Interest (FY24)**	Dividend (FY23)	Interest (FY23)	Comments
TCR	**–**	**23**	–	18	Further investment in FY23
ESVAGT	**–**	**49**	–	46	
Infinis	**–**	**18**	–	16	
GCX	**–**	**31**	–	18	Full year of ownership
Ionisos	**–**	**9**	–	9	
Tampnet	**8**	**5**	–	6	Dividend in FY24
Joulz	**–**	**7**	–	6	
Oystercatcher	**–**	**3**	–	4	
SRL	**–**	**21**	–	19	
Valorem	**1**	**3**	1	3	
DNS:NET	**–**	**11**	–	8	Further investment in FY23 and FY24
Attero	**–**	**1**	–	1	Sold in the year
Future Biogas	**–**	**3**	–	–	Full year of ownership

Costs

Management and performance fees

During the year to 31 March 2024, the Company incurred management fees of £49 million (2023: £47 million), including transaction fees of £1 million (2023: £3 million). The fees, payable to 3i plc, consist of a tiered management fee, and a one-off transaction fee of 1.2% payable in respect of new investments. The management fee tiers range from 1.4%, reducing to 1.2% for any proportion of gross investment value above £2.25 billion.

An annual performance fee is also payable by the Company, amounting to 20% of returns above a hurdle of 8% of the total return. This performance fee is payable in three equal annual instalments, with the second and third instalments only payable if certain future performance conditions are met. This hurdle was exceeded for the year ended 31 March 2024, resulting in a performance fee payable to 3i plc in respect of the year ended 31 March 2024 of £26 million (2023: £45 million).

The first instalment of £9 million will be paid in May 2024, along with the second instalment of £15 million relating to the previous year's performance fee, and the third instalment of £18 million relating to the FY22 performance fee.

For a more detailed explanation of how management and performance fees are calculated, please refer to Note 18 of the accounts.

Other operating and finance costs

Operating expenses, comprising Directors' fees, service provider costs and other professional fees, totalled £4 million in the year (2023: £3 million).

Finance costs of £35 million (2023: £16 million) in the year comprised arrangement and commitment fees for the Company's £900 million RCF and interest on drawings. Finance costs were higher than in FY23 due to an increase in interest rates and a greater average drawn balance.

Ongoing charges ratio

The ongoing charges ratio measures annual operating costs, as disclosed in Table 14, against the average NAV over the reporting period.

The Company's ongoing charges ratio is calculated in accordance with the Association of Investment Companies ('AIC') recommended methodology and was 1.65% for the year to 31 March 2024 (2023: 1.64%). The ongoing charges ratio is higher in periods where new investment levels are high, the Company is drawn into its RCF and new equity is raised or capital is returned to shareholders. Realisation of assets reduces the ongoing charges ratio. The cost items that contributed to the ongoing charges ratio are shown below.

The AIC methodology does not include transaction fees, performance fees or finance costs. However, the AIC recommends that the impact of performance fees on the ongoing charges ratio is noted, where performance fees are payable. The ratio including the performance fee was 2.44% (2023: 3.19%). The total return of 11.4% for the year is after deducting this performance fee and ongoing charges.

Table 14: Ongoing charges (year to 31 March, £m)

	2024	2023
Investment Manager's fee	**49.3**	44.6
Auditor's fee	**0.8**	0.8
Directors' fees and expenses	**0.6**	0.5
Other ongoing costs	**2.3**	1.9
Total ongoing charges	**53.0**	47.7
Ongoing charges ratio	**1.65%**	1.64%

Balance sheet

The NAV at 31 March 2024 was £3,342 million (2023: £3,101 million). The principal components of the NAV are the portfolio assets, cash holdings, the fair value of derivative financial instruments, borrowings under the RCF and other net assets and liabilities. A summary balance sheet is shown in Table 15.

At 31 March 2024, the Company's net assets after the deduction of the proposed final dividend were £3,287 million (2023: £3,050 million).

Table 15: Summary balance sheet (as at 31 March, £m)

	2024	2023
Portfolio assets	**3,842**	3,641
Cash balances	**5**	5
Derivative financial instruments	**77**	39
Borrowings	**(510)**	(501)
Other net liabilities	**(72)**	(83)
NAV	**3,342**	3,101

Cash and other assets

Cash balances at 31 March 2024 totalled £5 million (2023: £5 million).

Cash on deposit was managed actively by the Investment Manager and there are regular reviews of counterparties and their limits. Cash is principally held in AAA-rated money market funds.

Other net assets and liabilities predominantly comprise a performance fee accrual of £74 million (2023: £83 million), including amounts relating to prior year fees.

The movement from March 2023 is due to a decrease in the performance fee payable of £26 million. £35 million of prior year performance fees were paid during the year.

Borrowings

The Company has a £900 million RCF in order to maintain a good level and maturity of liquidity for further investment whilst minimising returns dilution from holding excessive cash balances. This is a three-year facility, with a maturity date of November 2026. At 31 March 2024, the total amount drawn was £510 million (2023: £501 million).

During the year, the Company predominantly drew on the RCF in euros, which reduced the cost of finance compared to borrowing in sterling and acted as a natural currency hedge against our euro investments, reducing the size of the FX hedging programme. Over the year, the average cost of RCF debt drawn was 6.1% (2023: 3.9%), considerably below the expected return from the portfolio indicated by the weighted average discount rate of 11.3% at 31 March 2024 (2023: 11.3%).

NAV per share

The total NAV per share at 31 March 2024 was 362.3 pence (2023: 336.2 pence). This reduces to 356.4 pence (2023: 330.6 pence) after the payment of the final dividend of 5.95 pence (2023: 5.575 pence). There are no dilutive securities in issue.

Dividend and dividend cover

The Board has proposed a dividend for the year of 11.90 pence per share, or £110 million in aggregate (2023: 11.15 pence; £101 million). This is in line with the Company's target announced in May last year.

When considering the coverage of the proposed dividend, the Board assesses the income earned from the portfolio, interest received on cash balances and any additional non-income cash distributions from portfolio assets which do not follow from a disposal of the underlying assets, as well as the level of ongoing operational costs incurred in the year. The Board also takes into account any surpluses retained from previous years, and net capital profits generated through asset realisations, which it considers available as dividend reserves for distribution.

Table 16 shows the calculation of dividend coverage and dividend reserves. The dividend was fully covered for the year with a surplus of £10 million (2023: £35 million).

Table 16: Dividend cover (year to 31 March, £m)

	2024	2023
Total income, other income and non-income cash	**208**	202
Operating costs, including management fees	**(88)**	(66)
Dividends paid and proposed	**(110)**	(101)
Dividend surplus for the year	**10**	35
Dividend reserves brought forward from prior year	**814**	794
Realised gain over cost on disposed assets	**82**	30
Performance fees	**(26)**	(45)
Dividend reserves carried forward	**880**	814

The retained amount available for distribution, following the payment of the final dividend, the realised gain over cost relating to the sale of Attero, the realised loss from the sale of the final investments in the India Fund and the performance fee will be £880 million (2023: £814 million). This is a substantial surplus, which is available to support the Company's progressive dividend policy, particularly should dividends not be fully covered by income in a future year.

A shortfall could arise, for example, due to holding substantial uninvested cash or through lower distributions being received from portfolio companies in order to invest in accretive growth opportunities or to preserve liquidity.

Table 17 shows that the Company has consistently covered the dividend over the last five years.

Table 17: Dividend cover (five years to 31 March 2024, £m)

	Net income[1]	**Dividend**
March 2020	105	82
March 2021	87	87
March 2022	93	93
March 2023	136	101
March 2024	120	110

1 Net income is Total income, other income and non-income cash less operating costs.

Sensitivities

The sensitivity of the portfolio to key inputs to our valuations is shown in Table 18 and described in more detail in Note 7 to the accounts. The portfolio valuations are positively correlated to inflation. The longer-term inflation assumptions beyond two years remain consistent with central bank targets, eg. UK CPI at 2%.

The sensitivities shown in Table 18 are indicative and are considered in isolation, holding all other assumptions constant. 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 necessitate consequential changes to other assumptions used in the valuation of each asset.

Table 18: Portfolio sensitivities (year to 31 March 2024)

Sensitivity	**-1% (£m)**	**-1% (%)**	**+1% (£m)**	**+1% (%)**
Discount rate	404	10.5%	(352)	(9.2)%
Inflation (for two years)	(56)	(1.4)%	54	1.4%
Interest rate	214	5.6%	(220)	(5.7)%

Alternative Performance Measures ('APMs')

We assess our performance using a variety of measures that are not specifically defined under IFRS and are therefore termed APMs. The APMs that we use may not be directly comparable with those used by other companies. These APMs provide additional information on how the Company has performed over the year, and are all financial measures of historical performance.

The APMs are consistent with those disclosed in prior years.

- Total return on opening NAV reflects the performance of the capital deployed by the Company during the year. This measure is not influenced by movements in share price or ordinary dividends to shareholders. This is a common APM used by investment companies
- The NAV per share is a measure of the underlying asset base attributable to each ordinary share of the Company and is a useful comparator to the share price. This is a common APM used by investment companies
- Total income and non-income cash is used to assess dividend coverage based on distributions received and accrued from the investment portfolio
- Investment value including commitments measures the total value of shareholders' capital deployed by the Company
- Total portfolio return percentage reflects the performance of the portfolio assets during the year
- Total liquidity is a measure of the Company's ability to make further investments and meet its short-term obligations
- Portfolio debt to enterprise value is a measure of underlying indebtedness of the portfolio companies

The definition and reconciliation to IFRS of the APMs is shown below.

APM	Purpose	Calculation	Reconciliation to IFRS
Total return on opening NAV	A measure of the overall financial performance of the Company. For further information see the KPI section.	It is calculated as the total return of £347 million, as shown in the Statement of comprehensive income, as a percentage of the opening NAV of £3,101 million net of the final dividend for the previous year of £51 million.	The calculation uses IFRS measures.
NAV per share	A measure of the NAV per share in the Company.	It is calculated as the NAV divided by the total number of shares in issue at the balance sheet date.	The calculation uses IFRS measures and is set out in Note 14 to the accounts.
Total income and non-income cash	A measure of the income and other cash receipts by the Company which support the payment of expenses and dividends.	It is calculated as the total income from the underlying portfolio and other assets plus non-income cash, being the repayment of shareholder loans not resulting from the disposal of an underlying portfolio asset.	Total income uses the IFRS measures; Investment income and Interest receivable. The non-income cash, being the proceeds from partial realisations of investments, is shown in the Cash flow statement. The realisation proceeds which result from a partial sale of an underlying portfolio asset are not included within non-income cash.
Investment value including commitments	A measure of the size of the investment portfolio including the value of further contracted future investments committed by the Company.	It is calculated as the portfolio asset value plus the amount of the contracted commitment. At 31 March 2024, the Company had no investment commitments.	The portfolio asset value is the Investments at fair value through profit or loss reported under IFRS. The value of future commitments is set out in Note 16 to the accounts.
Total portfolio return percentage	A measure of the financial performance of the portfolio.	It is calculated as the total portfolio return in the year of £460 million, as shown in Table 1, as a percentage of the sum of the opening value of the portfolio and investments (excluding capitalised interest) of £3,745 million.	The calculation uses capital return (including exchange), movement in fair value of derivatives, underlying portfolio income, opening portfolio value and investment in the year. The reconciliation of all these items to IFRS is shown in Table 1, including in the footnotes.
Total liquidity	A measure of the Company's ability to make further investments and meet its short-term obligations.	It is calculated as the cash balance of £5 million plus the undrawn balance available under the Company's RCF of £390 million.	The calculation uses the cash balance, which is an IFRS measure, and undrawn balances available under the Company's RCF as described in Note 11 to the accounts.
Portfolio debt to enterprise value	A measure of underlying indebtedness of the portfolio companies.	It is calculated as total debt, as a percentage of the enterprise value of the portfolio companies, and does not include indebtedness of the Company.	The calculation is a portfolio company measure and therefore cannot be reconciled to the Company's accounts under IFRS.

Risk Report

"Our consistent risk governance framework supports decision making during periods of economic uncertainty."

Wendy Dorman
Chair, Audit and Risk Committee

We saw continued economic uncertainty during the year, with rising interest rates on the back of high levels of inflation adversely affecting share prices in the infrastructure investment trust market.

In this macroeconomic environment, effective risk management is essential for the sustainable, long-term execution of the Company's strategy. The Audit and Risk Committee (the 'Committee') operates a robust risk management framework, which systematically evaluates the principal, key and emerging risks facing the Company. This framework provides an objective context for Board decisions related to performance, liquidity, capital structure and the overall business model. Despite the challenges posed by the geopolitical and macroeconomic landscape, the Company has maintained strong performance, supported by dynamic and responsive decision-making facilitated by our risk management process. We believe that the consistent application of this robust framework is an important element in the continued superior performance of the Company.

Our risk review process follows a three-year cycle. Initially, each Director independently assesses the risks facing the Company, a process we refer to as the 'blank sheet of paper exercise'. Subsequently, we conduct two annual updates.

In the current year, we completed the final stage of that three-year cycle of risk reviews. The Committee, alongside the Investment Manager, conducted a comprehensive assessment to identify and evaluate the impact and likelihood of the key, principal and emerging risks facing the Company.

The following sections explain how we identify and address risks to the Company. We outline the key risks, assess their potential impact on both the Company and our portfolio, and discuss our mitigation strategies.

As we conclude this three-year cycle, we have re-evaluated several risks to account for developments in the year. Additionally, we refreshed the list of emerging risks. The Committee updated the risk register and risk matrix based on the analysis conducted, ensuring alignment with the Company's strategic objectives.

Risk framework

Risk-related reporting

Internal	External
• Monthly management accounts	• Risk appetite
• Internal and external audit reports	• Viability statement
• Service provider control reports	• Resilience statement
• Risk logs	• Internal controls
• Compliance reports	• Going concern
• Risk-related reporting	• Statutory/accounting disclosures

Risk governance approach

The Board is ultimately responsible for the Company's risk management. It aims to strike a suitable balance between risk mitigation and generating long-term risk-adjusted returns for shareholders. Our approach to risk management is underpinned by our Board values of integrity, objectivity, accountability and legacy.

The Committee oversees the risk framework, methodology and process. This risk framework ensures a structured and consistent approach to identifying, assessing, and addressing risks. Consistency in risk management across the Company's strategy, business objectives, policies and procedures is a key objective of the Committee.

The Company is also reliant on the risk management frameworks of the Investment Manager and other key service providers, as well as on the risk management practices of each portfolio company.

Risk management reports are received from the Investment Manager and other service providers. The Investment Manager's team members represent the Company on all portfolio companies' boards which informs the risk-related reporting.

Risk appetite

The Committee reviews the Company's risk appetite annually, and this year confirmed that it remained broadly stable. As an investment company, the Company seeks to take investment risk. Our appetite for investment risk is detailed in the Our business model section and the Investment policy later in this document. All investments adhere to the Investment Manager's Responsible Investment policy, a critical component of our risk approach. In a competitive market for new investments, maintaining investment discipline remains paramount. That investment discipline is equally important when considering realisations, such as that of Attero during the year. Our investment procedures are rigorous and comprehensive.

The target risk-adjusted objective of delivering 8% to 10% return per annum over the medium term remains consistent with our current portfolio investment cases.

Should our portfolio expand, the range of expected returns in individual investment cases may widen.

This expansion could include both higher risk/return 'value add' cases and lower risk/return 'core' investments. We acknowledge that this may introduce greater volatility in returns on an individual asset basis. However, diversification across sectors, countries and underlying economic risks mitigates this volatility. Reflecting the Company's current liquidity position, the current focus is on investing through the existing portfolio, which we believe should generate better risk-adjusted returns than adding new platform investments, and on repayment of drawings on the Company's RCF.

We have intentionally built a diverse portfolio while carefully assessing the risks faced by our portfolio companies. The Committee reaffirmed that the Company's risk appetite for core-plus infrastructure investments remains unchanged and aligns with our investment mandate and target returns. The recent macroeconomic uncertainty has tested the appropriateness of our business model and risk appetite, and overall, our portfolio has demonstrated resilience, benefitting from diversification across infrastructure subsectors and underlying risk types.

The Company operates a flexible funding model and has been a relatively infrequent issuer of new shares in the infrastructure investment trust market.

The Company's shares have traded at a discount to published net asset value throughout the year. This restricted access to new equity issuance and increased the importance of the RCF to bridge the cycle between investment and realisation, as well as cash generation by underlying portfolio companies.

Risk review process

The key tools used by the Committee to assess the appetite for key risks are the risk register and the risk matrix.

The process of creating and reviewing the risk register and risk matrix is described below, together with a discussion of the Company's appetite for each of the key risks.

In addition to investment risk, which is discussed above, the Company actively manages and limits exposure to other risks to maintain acceptable levels.

The Company's risk review process includes the monitoring of key strategic and financial metrics considered to be indicators of potential changes in its risk profile.

The review takes place three times a year, with the last review in April 2024, and includes, but is not limited to, the following:

- infrastructure and broader market overviews;
- key macroeconomic indicators and their impact on the performance and valuation of portfolio companies;
- regular updates on the operational and financial performance of portfolio companies;
- experience of investment and divestment processes;
- compliance with regulatory obligations, including climate-related regulations;
- analysis of new and emerging regulatory initiatives;
- liquidity management;
- assessment of climate risks to the portfolio, including physical, transition and litigation risks;
- consideration of scenarios that may impact the viability of the Company;
- assessment of emerging risks; and
- review of the Company's risk log.

The Committee uses the risk framework to identify both emerging and key risks, assessing changes in risks over time. This framework is designed to manage, rather than eliminate, the risk of failing to achieve objectives or breaching our risk appetite. Throughout the year, we closely monitor significant key risks or 'principal risks', which have the potential to materially impact the achievement of our strategic objectives.

The Committee evaluates the likelihood of each identified risk materialising and the potential impact it may have, with reference to the Company's strategy and business model. We assess risks over two timeframes: within three years; and beyond three years. The results are presented on a risk matrix.

For each risk, we develop mitigating controls and assess their adequacy. If necessary, additional controls are implemented and reviewed during subsequent Committee meetings.

Risk categorisation

The Committee uses the following categorisation to describe risks that are identified during the risk review process.

Emerging risks	Key risks	Principal risks
An emerging risk is one that may in future be likely to have a material impact on the performance of the Company and the achievement of our long-term objectives, but that is not yet considered to be a key risk and is subject to uncertainty as to nature, impact and timing.	A key risk is considered currently to pose the risk of a material impact on the Company. Risks may be identified as emerging risks and subsequently become key risks. Identified key risks may cease to be considered key risks over time.	The Committee maintains a risk matrix, onto which the key risks are mapped by impact and likelihood. The principal risks are identified on the risk matrix as those with the highest combination of impact and likelihood scores.

The Committee considers the identified principal risks in greater detail in the assessment of the Company's viability. This assessment considers a number of plausible scenarios that could arise if these risks materialise, including stressed scenarios that might jeopardise the Company's viability. As the Company is an investment company, the stressed scenarios primarily focus on reduced cash flows from our investment portfolio. These scenarios could lead to debt covenant breaches and liabilities not met.

The Investment Manager models the impact of these scenarios on the Company and reports the results to the Committee. The resulting viability assessment is included in this Risk report.

Review during the year

In October 2023, the Committee conducted a comprehensive reassessment of the identified key risks and considered any updates to the list of emerging risks facing the Company. The Directors and several members of the Investment Manager's team identified the top emerging risks, considered whether there were any new key risks, and discussed changes to the impact and likelihood of the principal risks.

In December 2023, the Investment Manager analysed the collected data and identified both emerging and principal risks. The principal risks were scored for impact and likelihood over both a three-year and beyond three-year period, building upon the scoring of those risks in the prior year's assessment.

In January 2024, the Committee assessed the results of the principal risk scoring and made additional adjustments.

In April 2024, the Committee reviewed the updated risk register and risk matrix, along with the Company's appetite for each key risk.

We have a relatively diverse spread of assets in the portfolio and it is important that risk diversity is maintained as we evolve the portfolio through new investments, realisations and syndications.

Future realisations and syndications will continue to shape the portfolio's risk profile in line with our strategy. This flexibility allows us to manage exposure to more sensitive assets and adapt to changes in risk profiles over time.

We remain confident that the portfolio remains defensive and resilient, and it is well-positioned to benefit from accretive but discretionary growth opportunities, as highlighted in the Review from the Managing Partners. Our assessment indicates that the current risk appetite is appropriate.

Risk register review process

October 2023

Directors identify potential emerging or new key risks facing the Company

December 2023

Analysis and interpretation of responses

January 2024

Impact and likelihood of the identified risks considered

April 2024

Risk register and risk matrix updated

Emerging risks

As a long-term investor, the Company must carefully assess both identified key risks, as detailed below, and emerging or longer-term risks. Risk categorisation, including the definition of emerging risks, is outlined above.

The Board and the Investment Manager take these factors into account when evaluating portfolio performance and assessing new investments. Their goal is to identify potential risks that can either be mitigated or transformed into opportunities.

As part of our ongoing risk management, the Committee evaluates whether emerging risks should be added to the Company's risk register. This register is a 'live' document, regularly reviewed and updated by the Committee as new risks emerge and existing risks evolve. Examples of emerging risks considered during the year include opportunities and challenges related to AI tools, potential tax changes resulting from UK political changes, geopolitical tensions (such as conflicts in the Middle East and Ukraine), emerging energy technologies, including nuclear fusion, and heightened regulatory reporting requirements (including climate-related disclosures). In some instances, emerging risks may already be encompassed within broader identified key risks, such as market and economic risk.

Key risks

The Committee assesses key risks by evaluating their impact and likelihood on a risk matrix. Throughout the year, the Committee examined all the key risks in detail. Within the category of key risks, the principal risks identified by the Committee are outlined in the Principal risks and mitigation table. The disclosures in the Risk report do not encompass an exhaustive list of risks and uncertainties faced by the Company. Instead, they serve as a concise summary of significant key risks actively reviewed by the Board, their mitigating controls and developments in the year.

Our risk review demonstrated a high degree of consistency compared to the previous year, with minimal changes in the identified key risks. The assessment of likelihood and impact led to minor adjustments in the principal risks facing the Company, as compared to the prior financial year.

Market and economic risk was considered the top risk facing the Company and was considered to have increased during the year. This risk encompasses consequences such as high inflation and interest rates, elevated or volatile commodity and energy prices, supply chain constraints, and volatile capital markets affecting pricing, valuations and portfolio performance.

The portfolio is not currently materially impacted by the instability in the Middle East and Ukraine, but this was considered to have increased the overall level of market and economic risk, and security of assets risk.

It was noted that the greatest impact on the Company was the decline in the public valuation of listed companies in the infrastructure sector, which has limited access to the equity capital market. The management of liquidity risk is considered to have increased as a consequence.

While there were no significant changes in the remaining principal risks, adjustments are reflected in the Principal risks and mitigations table.

Fraud and cyber risk

We remain vigilant to cyber- and other IT-related threats that could disrupt the Company, compromise data, or harm our reputation. The Investment Manager has a robust fraud risk assessment and anti-fraud programme in place. This programme includes proactive fraud prevention work by their Internal Audit team, mandatory training to enhance vigilance and awareness, and an independent reporting service (accessible to all staff) known as the 'hotline'.

Additionally, the Investment Manager's cyber security programme focuses on identifying and mitigating risks related to third-party frauds, such as ransomware and phishing attacks. Regular staff training and the use of IT security tools contribute to this effort.

Furthermore, we have a detailed business continuity and disaster recovery plan in place to address significant events.

We also actively request our service providers to inform us promptly of any significant cyber events that they experience.

Climate risk

Climate risk includes the short- to medium-term impacts, including transitional changes (for example, regulation and financial) as well as the long-term emerging risk of climate change (for example, flooding events). Failing to identify and mitigate these risks could lead to reduced asset attractiveness, reputational harm, and a decline in portfolio value over time.

While uncertainties persist regarding the precise impact and timing of climate change, government actions, and future regulations, we recognise that climate-related risk is not only a key risk but also an essential investment theme for the Company. We categorise climate-related risk into two distinct but related risks.

Climate regulation risk addresses the regulatory risk linked to the transition toward a low-carbon economy. It encompasses the impact of evolving regulations on the Company and the portfolio. Climate risk considers both physical risks (direct impacts of climate change) and transition risks (changes arising from the transition to a low-carbon economy).

As highlighted in the Sustainability section of the Annual Report and Accounts 2024, the climate-related risks – both physical and transition – are also viewed as opportunities across our portfolio.

There are no immediate acute physical or transition risks identified in the portfolio that would categorise climate risk as a principal risk. An example of transition risk is the risk of early decommissioning of oil and gas assets, which impacts certain customers of Tampnet and ESVAGT. A related transition opportunity is the potential for prolonged life of offshore platforms to facilitate sequestration of carbon dioxide in old oil or gas fields, which could benefit Tampnet and ESVAGT.

We believe that the mitigating controls implemented by both the Company and the Investment Manager effectively address climate regulation risk, preventing it from being a principal risk at this time.

Principal risks and mitigations

External

Principal risk	Risk description	Risk mitigation	Developments in the year
Market/economic **Risk exposure movement in the year** Increased **Link to Strategic priorities** Manage portfolio intensively	• Macroeconomic or market volatility impacts general market confidence and risk appetite which flows through to pricing, valuations and portfolio performance • Fiscal tightening impacts market environment • Risk of sovereign default lowers market sentiment and increases volatility • Misjudgement of inflation and/or interest rate outlook	• Resources and experience of the Investment Manager on deal-making, asset management and hedging solutions to market volatility • Periodic legal and regulatory updates on the Company's markets and in-depth market and sector research from the Investment Manager and other advisers • Portfolio diversification to mitigate the impact of a downturn in any geography or sector or portfolio company-specific effects • The permanent capital nature of an investment trust allows us to look through market volatility and the economic cycle	• Strong portfolio performance, demonstrating resilience, leading to an increase in portfolio value in the year • Foreign exchange exposures at the portfolio company level monitored and hedged where appropriate • The Company's share price traded below NAV during the year and this restricted the Company's ability to raise new capital • Private equity market valuations typically less affected than public equity market valuations during periods of significant public market volatility • Conflict in the Middle East has increased the risk exposure in the year
Competition **Risk exposure movement in the year** Decreased **Link to Strategic priorities** Disciplined approach	• Increased competition for the acquisition of assets in the Company's strategic focus areas • Deal processes become more competitive and prices increase • New entrants compete with a lower cost of capital	• Continual review of market data and review of Company return target compared to market returns • Ongoing analysis of the competitor landscape • Origination experience and disciplined approach of Investment Manager • Strong track record and strength of the 3i Infrastructure brand	• Realisation of Attero at a c.31% premium to the March 2023 valuation • No new platform investments added to the portfolio during the year, with investment of £104 million in the existing portfolio • Reduction in the number of private infrastructure market transactions compared to prior year
Debt markets deteriorate **Risk exposure movement in the year** No significant change **Link to Strategic priorities** Manage portfolio intensively	• Debt becomes increasingly expensive, eroding returns • Debt availability is restricted • The Company's RCF or portfolio company debt cannot be refinanced due to lack of appetite from banks	• The Investment Manager maintains close relationships with a number of banks and monitors the market through transactions and advice • Regular reporting of Company liquidity and portfolio company refinancing requirements • Investment Manager has extensive experience in raising debt finance for portfolio companies, alongside an in-house treasury team to provide advice on treasury issues • Active management of portfolio company debt facilities, with fixed rates and long duration of debt	• The maturity of the Company's RCF was extended by a further year to November 2026 with the agreement of all lenders and no change in terms • There are no material refinancing requirements in the portfolio until 2027 and over 91% of long-term debt facilities are either hedged or fixed rate at 31 March 2024 • TCR, GCX, Ionisos, Valorem and Future Biogas all completed successful refinancings or new debt raises during the financial year

Operational

Principal risk	Risk description	Risk mitigation	Developments in the year
Loss of senior Investment Manager staff **Risk exposure movement in the year** No significant change **Link to Strategic priorities** Maintain balanced portfolio Sustainability key driver	• Members of the deal team at the Investment Manager leave, and 'deal-doing' and portfolio management capability in the short to medium term is restricted	• Performance-linked compensation packages, including an element of deferred remuneration • Notice periods within employment contracts • Strength and depth of the senior team and strength of the 3i Group brand • Careful management and robust planning of senior management transition	• The Investment Manager team has strength and depth, and the transition in senior management that took place in the prior financial year continues to be effective
Management of liquidity **Risk exposure movement in the year** Increased **Link to Strategic priorities** Disciplined approach Efficient balance sheet	• Failure to manage the Company's liquidity, including cash and available credit facilities • Insufficient liquidity to pay dividends and operating expenses or to make new investments • Hold excessive cash balances, introducing cash drag on the Company's returns	• Regular reporting of current and projected liquidity • Investment and planning processes consider sources of liquidity • Flexible funding model, where liquidity can be sought from available cash balances including reinvestment of proceeds from realisations, committed credit facilities which can be increased with approval from our lenders, and the issue of new share capital • Growth opportunities can be part or fully funded by portfolio company cash balances and/or available debt facilities	• The Company has access to a £900 million RCF that expires in November 2026. Total liquidity comprised cash and deposits of £5 million and undrawn facilities of £390 million at 31 March 2024, a decrease of £9 million during the financial year • No outstanding commitments at 31 March 2024 • Access to the equity capital markets was limited as a result of share price declines in the listed infrastructure investment trust sector and this restricted the Company's ability to raise new capital
Deliverability of return target **Risk exposure movement in the year** No significant change **Link to Strategic priorities** Maintain balanced portfolio Sustainability key driver	• Failure to ensure the investment strategy can deliver the return target and dividend policy of the Company • Failure to adapt the strategy of the Company to changing market conditions	• Market returns are reviewed regularly • The Investment Manager and other advisers to the Company report on market positioning • Investment process addresses expected return on new investments and the impact on the portfolio • Consideration of megatrends in the investment process • Consideration of risks, including ESG and climate risks, in the investment process	• Total return for the year of 11.4% outperforming target return of 8-10% per annum • FY24 dividend of 11.90 pence per share, 6.7% higher than the previous year

Investment

Principal risk	Risk description	Risk mitigation	Developments in the year
Security of assets **Risk exposure movement in the year** Increased **Link to Strategic priorities** Maintain balanced portfolio Sustainability key driver	• An incident, such as a cyber or terrorist attack • Unauthorised access to information and operating systems • Regulatory and legal risks from failure to comply with cyber-related laws and regulations, including data protection	• Regular review of the Company and key service providers • Regular review and update of cyber due diligence for potential investments • Review of portfolio companies for cyber risk management and incident readiness	• Ongoing focus on IT security and staff training including utilisation of specialist advisers by the key service providers • Continued programme of phishing and penetration testing and reviewed disaster recovery plans in the year • Portfolio company boards continued to focus on cyber risk management. While some portfolio companies encounter fraud attempts (with occasional success), none have materially impacted our companies • Conflict in the Middle East has increased the risk exposure in the year
Poor investment performance **Risk exposure movement in the year** No significant change **Link to Strategic priorities** Maintain balanced portfolio Sustainability key driver	• Misjudgement of the risk and return attributes of a new investment • Material issues at a portfolio company • Poor judgement in the realisation of an asset	• Robust investment process with thorough challenge of the investment case supported by detailed due diligence • Investment Manager's active asset management approach, including proactive management of issues arising at portfolio company level • Monthly portfolio monitoring to identify and address portfolio issues promptly • Experience of the Investment Manager's team in preparing for and executing realisations of investments	• Resilient performance from the portfolio overall • Increase in portfolio valuation, and a realisation at a premium to last valuation • Active asset management including implementing changes in the leadership team and the reassessment of strategy at portfolio companies as and when appropriate • Progress by portfolio companies along their sustainability pathways

Resilience

Our resilience comes from the effective implementation of our business model, described above. Key elements of our business model relating to resilience include the Investment Manager's disciplined approach to new investment and engaged asset management, the defensive characteristics of our portfolio of investments, high ESG standards, our flexible funding model and efficient balance sheet, and the capability of the Investment Manager's team.

This is underpinned by the strong institutional culture and values of our Investment Manager, high standards of corporate governance, and effective risk management.

Over the life of the Company, the Investment Manager has built a resilient and diversified portfolio with good growth potential and downside protection that delivers an attractive mix of income yield and capital appreciation for shareholders. This has been achieved through consistent delivery of our strategic priorities, described above.

Short-term resilience

The Directors assess the Company's short-term resilience through monitoring portfolio, pipeline and finance reports. These are prepared monthly, and discussed at quarterly scheduled board meetings and board update calls held between scheduled meetings. Six-monthly detailed investment reviews are prepared by the Investment Manager and discussed with the Board, as part of the half-yearly and annual valuation and reporting processes. These reviews describe sources of risk at portfolio company level, and mitigating actions being taken or considered.

The resilience of key suppliers, including the Investment Manager, is considered annually, or more frequently if appropriate. The Audit and Risk Committee is provided with relevant extracts of reports from the Investment Manager's internal audit team, which includes an annual report on the Investment Manager's European infrastructure investment team. Further detail is included in the Governance section of the Annual Report and Accounts 2024.

The Directors manage the Company's liquidity actively, reviewing reports on current and forecast liquidity from the Investment Manager, alongside recommendations for seeking additional liquidity when appropriate. During the year, the RCF was extended by one year to November 2026. Further discussion on the RCF can be found in the Financial review.

The identification of material uncertainties that could cast significant doubt over the ability of the Company to continue as a going concern forms the basis of the Going concern statement below.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report and in the Financial statements and related Notes to our Annual report and accounts to 31 March 2024. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are also described in the Financial statements and related Notes to the accounts.

In addition, Note 9 to the accounts includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk.

The Directors have made an assessment of going concern, taking into account the Company's cash and liquidity position, current performance and outlook, which considered the impact of the higher inflationary and interest rate environment, using the information available up to the date of issue of these Financial statements.

The Company has liquid financial resources and a strong investment portfolio, providing a predictable income yield and an expectation of medium-term capital growth.

The Company manages and monitors liquidity regularly, ensuring that it is 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 facilities of £390 million (2023: £399 million). The £900 million RCF matures beyond 12 months of the date of this report.

The Company had no contracted investment commitment at 31 March 2024. However, the Company expects to make follow-on investments in portfolio companies to fund growth opportunities.

The Company had ongoing charges of £53 million in the year to 31 March 2024, detailed in Table 14 in the Financial review, which are indicative of the ongoing run rate in the short term. In addition, the FY24 performance fee of £26 million (2023: £45 million) is due in three equal instalments, with the first instalment payable in the next 12 months along with the second instalment of FY23's performance fee and the third instalment of FY22's performance fee, and a proposed final dividend for FY24 of £55 million which is expected to be paid in July 2024.

Although not a commitment, the Company has announced a dividend target for FY25 of 12.65 pence per share. Income and non-income cash is expected to be received from the portfolio investments during the coming year, some of which will be required to support the payment of this dividend target and the Company's other financial commitments.

The Directors have acknowledged their responsibilities in relation to the Financial statements for the year to 31 March 2024. After making the assessment on 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-positioned 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 this report. This is supported by the scenario analysis and stress testing described in the medium-term resilience section and the Viability statement. Accordingly, the Directors continue to adopt the going concern basis in preparing the Annual report and accounts.

Medium-term resilience

The assessment of medium-term resilience, which includes modelling of stressed scenarios and reverse stress tests, considers the viability and performance of the Company in the event of specific stressed scenarios, which are assumed to occur over a three-year horizon. This stress testing forms the basis of the Viability statement.

The Directors consider that a three-year period to March 2027 is an appropriate period to review for assessing the Company's viability. This reflects greater predictability of the Company's cash flows over that time period and increased uncertainty surrounding economic, political and regulatory changes over the longer term.

The stress testing focuses on the principal risks, but also reflects those new and emerging risks that are considered to be of sufficient importance to require active monitoring by the Audit and Risk Committee. The scenarios used are described in the Viability statement. The medium-term resilience of the Company is assessed through analysing the impact of these scenarios on key metrics such as total return, income yield, net asset value, covenants on the RCF and available liquidity.

Viability statement

The Directors consider the medium-term prospects of the Company to be favourable. The Company has a diverse portfolio of infrastructure investments, producing good and reasonably predictable levels of income which cover the dividend and costs. The defensive nature of the portfolio and of the essential services that the businesses in which we invest provide to their customers are being demonstrated in the current climate. The Investment Manager has a strong track record of investing in carefully selected businesses and projects and of driving value through an engaged asset management approach. The Directors consider that this portfolio can continue to meet the Company's objectives.

The Directors have assessed the viability of the Company over a three-year period to March 2027. The Directors have taken account of the current position of the Company, including its liquidity position, with £5 million of cash and £390 million of undrawn credit facilities, and the principal risks it faces, which are documented in this Risk report.

The Directors have considered the potential impact on the Company of a number of scenarios in addition to the Company's business plan and recent forecasts, which quantify the financial impact of the principal risks occurring. These scenarios represent severe yet plausible circumstances that the Company could experience, including a significant impairment in the value of the portfolio and a reduction in the cash flows available from portfolio companies from a variety of causes.

The assessment was conducted over several months, during which the proposed scenarios were evaluated by the Board, the assumptions set, and the analysis produced and reviewed. Analysis included the impact of an escalation of the conflict in Ukraine or in the Middle East on our portfolio companies, and the impact of a resulting economic downturn. Other considerations included the possible impact of climate-related events and transition risks, widespread economic turmoil, a reduction in cash distributions from portfolio companies to the Company, a tightening of debt markets and the failure of a large investment.

The assumptions used to model these scenarios included: a fall in value of some or all of the portfolio companies; a reduction in cash flows from portfolio companies; a reduction in the level of new investment and/or realisations; the imposition of additional taxes on distributions from or transactions in the portfolio companies; an increase in the cost of debt and restriction in debt availability; and an inability for the Company to raise equity. The implications of changes in the inflation, interest rate and foreign exchange environment were also considered, separately and in combination.

The results of this assessment showed that the Company would be able to withstand the impact of these scenarios occurring over the three-year period. The Directors also considered scenarios that would represent a serious threat to its liquidity and viability in that time period. These scenarios were considered to be remote, such as a fall in equity value of the portfolio of materially more than 50% whilst being fully drawn on the RCF, or an equivalent fall in income.

Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period to March 2027.

Long-term resilience

As described above, the long-term resilience of the Company, beyond the Viability statement period, comes from the effective implementation of our business model and consistent delivery of our strategic objectives.

Our approach to origination and portfolio construction, focus on price discipline, and engaged asset management approach enable us to adapt in response to new and emerging risks and challenges, including climate change and developments in megatrends.

The characteristics that are commonly found across our portfolio, described above, support the long-term resilience of the Company.

The underlying megatrends supporting the longer-term resilience of each portfolio company are identified in the Megatrends section.

We have a long-term investment time horizon made possible by our permanent capital base that is unconstrained by the fixed investment period and fundraising cycle seen in private limited partnership funds.

Although the scenarios and stress testing to support the Viability statement are modelled over a three-year time horizon, the resilience shown by the Company, and its ability to recover from these stressed situations, supports the assessment of our resilience over a longer term than three years.

Directors’ duties

Section 172 statement

The Company adheres to the AIC Code of Corporate Governance (the ‘AIC Code’), and it is the intention of the AIC Code that the matters set out in section 172 of the Companies Act 2006 (‘s172’) are reported to the extent they do not conflict with Jersey law.

We recognise that our business can only grow and prosper by acting in the long-term interests of our key stakeholders, and that a good understanding of the issues affecting stakeholders should be an integral part of the Board’s decision-making process. The insights that the Board gains through the stakeholder engagement mechanisms it has in place form an important part of the overall context for all the Board’s discussions and decision-making processes.

As an externally managed investment trust, the Company has no employees or customers and its key stakeholders are its shareholders, third-party professional advisers and service providers (most notably the Investment Manager), portfolio companies, lenders, and government and regulatory bodies.

Day-to-day engagement with our stakeholders is principally managed by the Investment Manager, although, where appropriate, the Directors have direct touchpoints with stakeholders during the year.

Pursuant to s172 a director of a company must act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to the following factors:

The likely consequences of any decision in the long term
Our purpose and strategy, combined with the responsible investment approach of the Investment Manager focus on achieving long-term success.

The interests of the company’s employees
Whilst we do not have any employees, our purpose includes the intention to have a positive influence on our portfolio companies and their stakeholders, which includes the employees of those portfolio companies.

The need to foster the company’s business relationships with suppliers, customers and others
We engage with all our stakeholders, whether directly or through the Investment Manager, in an open and transparent way to foster strong business relationships.

The impact of the company’s operations on the community and the environment
As owners of infrastructure businesses with majority or significant minority holdings and representation on their boards, we recognise our ability to influence our portfolio companies to ensure they act responsibly.

The desirability of maintaining a reputation for high standards of business conduct
Our success relies on maintaining a positive reputation, and our values and ethics are aligned to our purpose, our strategy and our ways of working.

The need to act fairly towards members of the company
The Board actively engages with its shareholders and considers their interests when implementing our strategy.

Read more in our Annual report and accounts 2024, available on our website.

Accounts and other information

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
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	2023
	£m	£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	2023
	£m	£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;

- 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 14 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
- 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.

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 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.

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.

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.

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 of the Annual Report and Accounts 2024.

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.

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 below 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 below as it is not categorised as a financial instrument.

Financial instruments classification

	As at 31 March 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
	£m	**£m**	**£m**	**£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	Level 2	Level 3	Total
	£m	£m	£m	£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)

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.

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.

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	2023
	£m	£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.

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.

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.

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]	**Euro**	**NOK**	**DKK**	**US dollar**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£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.

	As at 31 March 2023					
	Sterling[1]	Euro	NOK	DKK	US dollar	Total
	£m	£m	£m	£m	£m	£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.

	2024	2023
Year to 31 March	**£m**	£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.

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

15 Dividends

Declared and paid during the year	Year to 31 March 2024		Year to 31 March 2023	
	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).

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.

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%
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%
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%
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%
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%
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%
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%
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.

Statement of Directors' responsibilities

In accordance with the FCA's Disclosure Guidance and Transparency Rules, the Directors confirm to the best of their knowledge that:

a) the Financial statements, prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company taken as a whole; and

b) the Annual report and accounts include a fair review of the development and performance of the business and the position of the Company taken as a whole, together with a description of the principal risks and uncertainties faced by the Company.

The Directors of the Company and their functions are listed below. The Directors have acknowledged their responsibilities in relation to the Financial statements for the year to 31 March 2024.

Richard Laing

Chair

7 May 2024

Board of Directors and their functions

Richard Laing, Non-executive Chair and Chair of the Nominations Committee and the Management Engagement Committee.

Stephanie Hazell, Senior Independent Director and Chair of the Remuneration Committee.

Wendy Dorman, Independent non-executive Director and Chair of the Audit and Risk Committee.

Doug Bannister, Independent non-executive Director.

Samantha Hoe-Richardson, Independent non-executive Director.

Martin Magee, Independent non-executive Director.

Jennifer Dunstan, Non-executive Director.

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.

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.

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.

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 is 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') is 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.

For further information see our website
www.3i-infrastructure.com