GREENWAY INFRASTRUCTURE FUND

Financial Statements

For the year ended 31 December 2012

GREENWAY INFRASTRUCTURE FUND

General Information

Manager and registrar

Ogier Fund Administration (Jersey) Limited
Ogier House
The Esplanade
St Helier, Jersey
Channel Islands
JE4 9WG

Regulated by the Jersey Financial Services Commission

Trustee

BNP Paribas Jersey Trust Corporation Limited
BNP Paribas House
Anley Street
St Helier, Jersey
Channel Islands
JE2 3QE

Regulated by the Jersey Financial Services Commission

Investment Adviser

Commerzbank AG, London Branch
30 Gresham Street
London
EC2P 2XY

Custodian and Administrator

BNP Paribas Securities Services S.C.A, Jersey Branch
Liberté House
19-23 La Motte Street
St Helier, Jersey
Channel Islands
JE2 4SY

Regulated by the Jersey Financial Services Commission

Independent Auditors

KPMG Channel Islands Limited
37 Esplanade
St Helier, Jersey
Channel Islands
JE4 8WQ

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Information about the Greenway Infrastructure Fund

Fund Status

The Greenway Infrastructure Fund (the "Fund") was established under the laws of Jersey on 22 November, 2006. It is a Jersey unit trust in respect of which a permit has been granted under the Collective Investment Funds (Jersey) Law, 1988 to operate as an unclassified fund. The Fund is listed on the Channel Islands Stock Exchange (CISX).

Investment Objective

The objective of the Fund is to achieve an attractive risk-adjusted net return to Investors. The Fund will seek to achieve its investment objective by investing on a leveraged basis in a portfolio of Secured Investments and Cash Investments (the "Investments").

Investment Policy

The Fund uses leverage to provide the target returns to Investors. Leverage is achieved through the issuance of a Variable Funding Note ("VFN"), the leverage being increased if so agreed by increasing the drawing under the VFN. The net proceeds from the issuance of the VFN and the Units are used to acquire certain Secured Investments, being Notes issued by Greenway Infrastructure Capital plc (the "Note Issuer"), and Cash Investments.

The Note Issuer will use the proceeds from the issue of the Secured Investments to fund the acquisition of certain investments.

The Note Issuer will only ever acquire or hold interests in:

(i) senior secured loans, senior unsecured loans, subordinated secured loans or subordinated unsecured loans as may be recommended by the Investment Adviser in accordance with the Investment Management and Advisory Agreement; or

(ii) participations in all or part of senior secured loans, senior unsecured loans, subordinated secured loans or subordinated unsecured loans from Mizuho Corporate Bank, Ltd., Commerzbank AG, London Branch or such other financial institution as may be nominated by the Investment Adviser; or

(iii) any note issued in relation to a project meeting the eligibility criteria as may be recommended by the Investment Adviser in accordance with the Investment Management and Advisory Agreement; or

(iv) any other asset as may be recommended by the Investment Adviser and Note Issuer in accordance with the terms of the Investment Management and Advisory Agreement;

In addition each of the four categories noted above must be regarded as compliant with the eligibility criteria, as defined within the Listing Document. This determination will be made by the Note Issuer, based upon the reasonable commercial judgement of the Investment Adviser.

Statement of Trustee's Responsibilities

The Trustee is under a duty to take into custody and to hold the property of the Fund in trust for the Unitholders and to ensure that in all material respects the Manager has managed the Fund in accordance with the provisions of the Trust Instrument.

The Trustee may enquire into the conduct of the Manager in the management of the Trust.

Report of the Trustee to the Unitholders of Greenway Infrastructure Fund

The Trustee has enquired into the conduct of the Manager of the Fund during the year ended 31 December 2012.

In the Trustee's opinion, the Manager has managed the Fund in accordance with the investment and borrowing powers and restrictions applicable to the Fund, the Listing Document, the provisions of the Trust Instrument, and all Orders for the time being in force under Article 10 of the Collective Investment Funds (Jersey) Law, 1988.

BNP Paribas Jersey Trust Corporation Limited

Date: 26 JUNE 2013

Statement of Manager's Responsibilities

The Manager is responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards.

The Trust Instrument requires the Manager to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Fund and of the profit or loss of the Fund for that period.

In preparing those financial statements, the Manager is required to:

(i) Select suitable accounting policies and then apply them consistently;
(ii) Make judgements and estimates that are reasonable and prudent;
(iii) State whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
(iv) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business for the foreseeable future.

The Manager is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund and to enable them to ensure that the financial statements comply with the Trust Instrument. The Manager is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Investment Review – 2012

The Greenway Infrastructure Fund was established in November 2006 to invest on a leveraged basis in a portfolio of secured investments and cash investments. All loan investments are GBP denominated and comprise either Category 1 assets: project finance assets benefiting from a AAA-rated insurer or an availability-based payment regime in sectors including but not limited to hospitals, prisons, schools, government office accommodation, highway infrastructure services and design-build-finance-operate roads; or Category 2 assets projects with a non-availability-based payment regime, other infrastructure scheme or regulated utility in sectors including, but not limited to: design-build-finance-operate roads, toll roads/bridges/tunnels, airports and ferries. Category 2 assets cannot form more than 30% of the Investment Portfolio Total Value. All eligible projects require the underlying obligor to construct, operate and/or maintain assets with a view to providing an essential service to a public sector entity or to the public.

The portfolio of projects as at 31 December 2012 is unchanged compared to the portfolio in June 2012, comprising fifteen PFI transactions and the remaining three infrastructure assets. The Category 1 PFI assets are: five hospitals; four schools; one highway infrastructure service project; one prison portfolio; two government accommodation projects; and two public sector support facilities. Category 2 assets are two ferry companies, and one motorway Company. Currently, the ratio of Category 1 to Category 2 assets is 86:14 on a par value commitment basis.

The majority of assets were committed at the first closing date and were transferred into the fund on the next interest rollover date, the latest being in March 2007. Between the initial closing and January 2009 four further investments were made: Note Series 21 ALC and Note Series 22 MOTO were committed in January 2007 and were transferred into the Fund in March 2007, Note Series 23 ByLewisham was committed and transferred into the Fund in July 2008 and in January 2009 a second investment in ByLewisham was made, forming Note Series 24. Subsequently, in March 2011 Note Series 15 and Note Series 22 relating to an investment in MOTO prepaid and the funds were used to repay the respective secured notes and were further used to undertake a capital redemption of the Variable Funding Note.

No assets have been acquired since that time and, as at 31 December 2011, no asset has been transferred out of the fund since first closing.

On 10 January 2012, the fund paid a dividend to unit holders for the period 1 July 2011 to 31 December 2011 in an amount of £542,393. In July 2012 the fund paid a dividend to unit holders for the period 1 January 2012 to 30 June 2012 in an amount of £799,190. Subsequent to the year-end. On 21 January 2013, the fund paid a dividend to unit holders for the period 1 July 2012 to 31 December 2012 in an amount of £563,993.

The availability-based payment regime of the Category 1 assets, which form the majority of the underlying loans, shields the portfolio substantially from consumer demand trends. These transactions are not significantly at risk from economic downturn.

The three Category 2 assets, which are all exposed to consumer demand trends, continue to operate in a weak economic environment. The respective management teams have continued to focus on improving efficiency of the operations and this has helped to mitigate the impact of the lower demand.

Note Series 2 continues to perform in an acceptable manner. While earnings are below budget, lenders are satisfied that there are no critical issues facing the company in the short to medium term.

For Note Series 9, performance remains significantly below budget. The company is negotiating with existing lenders to complete a restructuring of the loans potentially within the next twelve months. Based upon the information provided during the initial restructuring discussions, the Investment Advisor has re-profiled the cashflow assumptions that are used as a basis for the asset's valuation in the fund, and this has reduced the price of the asset to 51.54 as at 31 December 2012. Subsequent to year end the price changed marginally to 52.60 by the end of March 2013 as information was further clarified. This value is unlikely to improve significantly and could potentially fall further.

Investment Review – 2012 (continued)

The situation for Series 8 has improved subsequent to year end. Through 2012 performance remained weak, and insufficient to cover long-term debt obligations. The Lenders and Company worked tirelessly through the year to restructure the loans in order to provide sufficient liquidity for the company to continue trading. By year-end 2012 an outline restructuring plan had been approved and subsequent to the year-end the restructuring documentation was formulated. The restructuring was successfully concluded on 29 April 2013 and this affords the company with appropriate medium to long term financing support. Towards the end of 2012 and into the early months of 2013 the company's trading position stabilised which has enabled the company to exceed its annual earnings target in 2012. Overall the company is in a significantly stronger position currently than it was at the date of the last accounts. Nevertheless, full repayment of the outstanding loans is contingent upon a long term extension to the Concession and it is not currently certain that a sufficient extension will be granted. The company also remains exposed to the economic trends in the UK. Based on the current financial information at the year end, the price of this asset was 45.38.The value is unlikely to improve substantially in the medium term.

During this period, no Unitholder capital redemptions were undertaken, in order to restore the appropriate leverage ratio in the fund accounts.

As at 31st December 2012 the unit price of the fund, for Unitholder dealing purposes, was (pre-dividend) 44.16. This price reflected the fair value methodology utilised by the fund particularly the impact of the MMG and MIOM re-pricing.

Consequently, although dividend income remains strong, the fund's unit price is unlikely to recover significantly from current values.

There is no current expectation that the assets of the fund will be traded, so the fair values calculated are relevant mainly as an indicator of the trend in market values:

Overall the performance of the fund remains sound and the deterioration in value in Note series 8 MIOM and Note Series 9 MMG is being managed by the relevant lending syndicates.

KPMG

KPMG Channel Islands Limited
37 Esplanade
St Helier
Jersey JE4 8WQ
Channel Islands

Independent auditor's report to the unitholders of Greenway Infrastructure Fund

We have audited the financial statements of Greenway Infrastructure Fund ("the Fund") for the year ended 31 December 2012 which comprise Statement of Comprehensive Income, Statement of Changes in Unitholders' Funds, Statement of Financial Position, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

This report is made solely to the unitholders, as a body, in accordance with our terms of engagement as detailed in our letter of 13 November 2012. Our audit work has been undertaken so that we might state to the unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the unitholders, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of manager and auditors

As explained more fully in the Statement of Manager's Responsibilities set out on page 4, the manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the manager; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information within the Information about the Greenway Insfrastructure Fund and the Investment Review to identify material inconsistencies with the financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

KPMG Channel Islands Limited
37 Esplanade
St Helier
Jersey JE4 8WQ
Channel Islands

Independent auditor's report to the unitholders of Greenway Infrastructure Fund – continued

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Fund's affairs as at 31 December 2012 and of its loss for the year then ended;
- have been properly prepared International Financial Reporting Standards; and
- have been prepared in accordance with the requirements of the Trust Instrument.

KPMG Channel Islands Limited

KPMG Channel Islands Limited
Chartered Accountants

28 June 2013

GREENWAY INFRASTRUCTURE FUND

Statement of comprehensive income
For the year ended 31 December 2012

	Note	1 January 2012 to 31 December 2012	1 January 2011 to 31 December 2011
		£	£
Net losses on financial assets at fair value through profit or loss	2	**(8,908,175)**	(5,406,624)
Other investment income	3	**4,959,844**	5,103,861
Net investment loss		**(3,948,331)**	(302,763)
Expenses	4	**(944,354)**	(1,009,509)
Operating expenses before finance costs		**(944,354)**	(1,009,509)
Net loss from operations before finance costs		**(4,892,685)**	(1,312,272)
Interest expense	5	**(2,813,565)**	(2,905,735)
Total finance costs		**(2,813,565)**	(2,905,735)
Net loss for the year		**(7,706,250)**	(4,218,007)
Other comprehensive income		-	-
Total comprehensive income for the year		**(7,706,250)**	(4,218,007)
Basic and diluted loss per Unit	12	**£(32.11)**	£(16.78)

The notes on pages 13 to 32 are an integral part of these financial statements.

Statement of changes in unitholders' funds
For the year ended 31 December 2012

	Note	Units £	Retained earnings £	Total unitholders' funds £
Balance at 1 January 2012		24,017,710	(16,945,590)	7,072,120
Net loss for the year		-	(7,706,250)	(7,706,250)
Unit redemptions	9	-	-	-
Distributions paid	1(g)	-	(1,341,583)	(1,341,583)
Balance at 31 December 2012		**24,017,710**	**(25,993,423)**	**(1,975,713)**

Statement of changes in unitholders' funds
For the year ended 31 December 2011

		Units £	Retained earnings £	Total unitholders' funds £
Balance at 1 January 2011		26,923,688	(11,149,592)	15,774,096
Net loss for the year		-	(4,218,007)	(4,218,007)
Unit redemptions	9	(2,905,978)	-	(2,905,978)
Distributions paid	1(g)	-	(1,577,991)	(1,577,991)
Balance at 31 December 2011		**24,017,710**	**(16,945,590)**	**7,072,120**

The notes on pages 13 to 32 are an integral part of these financial statements.

Statement of financial position
As at 31 December 2012

	Note	2012	2011
		£	£
Non-current assets			
Financial assets at fair value through profit or loss			
Secured Investments	6	**192,659,030**	208,607,263
Total non-current assets		**192,659,030**	208,607,263
Current assets			
Interest and other receivables	8	**2,487,253**	2,711,328
Cash and cash equivalents	1(j)	**12,854,544**	13,327,890
Total current assets		**15,341,797**	16,039,218
Total assets		**208,000,827**	224,646,481
Equity and liabilities			
Equity			
Units in issue	9	**24,017,710**	24,017,710
Retained deficit		**(25,993,423)**	(16,945,590)
Total equity		**(1,975,713)**	7,072,120
Non-current liabilities			
Financial liabilities at amortised cost			
Variable funding note	10	**208,742,793**	216,154,424
Total non-current liabilities		**208,742,793**	216,154,424
Current liabilities			
Financial liabilities at amortised cost			
Interest and other payables	11	**1,233,747**	1,419,937
Total current liabilities		**1,233,747**	1,419,937
Total equity and liabilities		**208,000,827**	224,646,481
Net (liabilities)/asset value per Unit	12	**£(8.23)**	£29.47

The financial statements on pages 9 to 32 were approved and authorised for issue by the Trustee of Greenway Infrastructure Fund on 26 June 2013 and signed on their behalf by:

Fiona White

Director, BNP Paribas Jersey Trust Corporation Limited

The notes on pages 13 to 32 are an integral part of these financial statements.

Statement of cash flows
For the year ended 31 December 2012

	Note	1 January 2012 to 31 December 2012	1 January 2011 to 31 December 2011
		£	£
Cash flows from operating activities			
Other operating expenses paid		(917,964)	(1,013,141)
Net cash outflow used for operating activities		(917,964)	(1,013,141)
Cash flows from investing activities			
Interest received on deposits	15	-	38,140
Break fees received		40,078	355,940
Interest received on Secured Investments		5,136,021	4,931,932
Purchase of Secured Investments	15	(302,419)	(241,935)
Redemption of Secured Investments	15	7,337,826	27,074,626
Net cash inflow from investing activities		12,211,506	32,158,703
Cash flows from financing activities			
Redemption of units	9	-	(2,905,978)
Redemption of Variable Funding Note	10	(7,411,631)	(26,157,384)
Interest paid on Variable Funding Note		(3,013,674)	(2,743,082)
Distributions paid	1(g)	(1,341,583)	(1,577,991)
Net cash outflow used for financing activities		(11,766,888)	(33,384,435)
Net decrease in cash and cash equivalents		(473,346)	(2,238,873)
Cash and cash equivalents at beginning of year		13,327,890	15,566,763
Cash and cash equivalents at end of year		12,854,544	13,327,890

The notes on pages 13 to 32 are an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2012

1. Significant accounting policies

(a) Statement of compliance

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

(b) Basis of preparation

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to the year presented, unless otherwise stated.

The financial statements are presented in pounds sterling which is the Fund's functional currency. The financial statements have been prepared on the historical cost basis, except for financial assets at fair value through the profit or loss.

Going Concern

The Fund is showing a net liability position at the year end. However, the VFN is secured against the investments whose principal value outstanding remains greater than that of the VFN and the Fund has continued to make capital redemptions on the VFN from the principal proceeds received from the investments.

The financial statements have therefore been prepared on a going concern basis because the Investment Adviser expects that the future proceeds from the investments will be sufficient to redeem the VFN outstanding.

Furthermore, the net liability position reflects the movement in the fair value of the secured investments, due to fluctuation in market inputs. As such the Trustee is of the opinion that the going concern basis of preparation is appropriate.

(c) Use of estimates and judgements

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

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties, as well as critical judgements, that have a significant risk of material misstatement on the amounts recognised in these financial statements are included in Notes 7 and 13.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the investment manager who makes strategic decisions regarding the investments of the Fund. Other than as disclosed in Note 16, the manager does not consider it necessary to provide further analysis for the Fund.

Notes to the financial statements for the year ended 31 December 2012 (continued)

1. Significant accounting policies (continued)

(e) Revenue recognition

(i) Interest income

Interest income is recognised in the statement of comprehensive income as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. In the case of Secured Investments issued at a significant discount or premium to the maturity value, the total income arising on such securities, taking into account the amortisation of such a discount or premium, is amortised over the life of the security.

(ii) Bank interest income

Interest arising on bank deposits is recognised in the statement of comprehensive income as it accrues.

(iii) Break funding and commitment fee income

Break funding and commitment fee income is recognised in the statement of comprehensive income as it accrues.

(f) Expenses and finance costs

All expenses are recognised in the statement of comprehensive income on an accruals basis. In accordance with the Listing Document, the Fund is responsible for paying the expenses of Greenway Infrastructure Capital plc. These expenses are also reflected in the statement of comprehensive income.

Finance costs, comprised of interest payable on the Variable Funding Note, are recognised in the statement of comprehensive income using the effective interest rate method.

(g) Distributions

Distributions payable on Units are recognised in the statement of changes in unitholders funds.

(h) Taxation

The Comptroller of Income Tax in Jersey has confirmed that, by concession, the Greenway Infrastructure Fund has exemption from Jersey income tax on non-Jersey source income and Jersey bank interest.

(i) Financial instruments

(i) Classification

The Fund has designated all Secured Investments as financial assets at fair value through profit or loss.

Financial assets that are classified as loans and receivables include interest and other receivables, and cash and cash equivalents.

Financial liabilities that are not at fair value through profit or loss include the Variable Funding Note, accrued expenses and other payables.

(ii) Recognition of financial assets and liabilities

The Fund recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

A regular way purchase of financial assets is recognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or liabilities are recorded.

Financial liabilities are recognised when one of the parties has performed or the contract is a derivative contract not exempted from the scope of IAS 39.

Notes to the financial statements for the year ended 31 December 2012 (continued)

1. Significant accounting policies (continued)

(i) Financial instruments (continued)

(iii) Measurement

Financial instruments at fair value through profit or loss consist of Secured Investments and are measured initially at transaction price. Other financial assets or liabilities are measured at amortised cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs on Secured Investments are recognised immediately. Subsequent to initial recognition, all instruments classified at fair value through profit or loss, are measured at fair value with changes in their fair value recognised in the statement of comprehensive income. Financial assets classified as interest and receivables are carried at amortised cost using the effective interest rate method, less any impairment losses. Financial liabilities are measured at amortised cost using the effective interest rate method.

(iv) Fair value measurement principles

The fair value of financial instruments is based upon the Investment Adviser's best estimate, using financial modelling techniques, of the amount that would be received from an immediate transfer at arm's length, at the statement of financial position date, without any deduction for estimated selling costs. The fair value is determined by reference to the current fair value of the underlying investments held by the Note Issuer, Greenway Infrastructure Capital plc, which in turn are valued using a discounted cash flow ('DCF') model. The key inputs to the model are market interest rates, credit risk from the underlying projects and estimated cash flows. As part of the DCF valuation process employed by the Investment Adviser, an appropriate discount factor has been estimated through the observation of comparable deal structures and the estimation of realistic margins where equivalent transactions would issue in a normal performing financial market.

(v) Impairment

Financial assets are reviewed at each year-end date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows.

If in a subsequent period the amount of an impairment loss recognised on a financial asset decreases and the decrease can be linked objectively to an event occurring after the write down, the write down is reversed through the statement of comprehensive income.

(vi) Derecognition of financial assets and liabilities

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired or it transfers substantially all the risks and rewards of the financial asset and the transfer qualifies for derecognition in accordance with IAS 39. A financial liability is derecognised when its contractual obligations are discharged, cancelled or expire.

(j) Cash and cash equivalents

Cash and cash equivalents comprise current deposits with banks.

(k) NAV per Unit and earnings per Unit

The Fund presents net asset value (NAV) per Unit and basic and diluted earnings per Unit (EPU) data. Basic EPU is calculated by dividing the profit or loss attributable to Unitholders by the weighted average number of Units outstanding during the period. Diluted EPU is determined by adjusting the profit or loss attributable to Unitholders and the weighted average number of Units outstanding for the effects of all dilutive potential Units.

Net asset value per unit is calculated by dividing the net assets attributable to Unitholders by the number of Units outstanding as at the statement of financial position date.

Notes to the financial statements for the year ended 31 December 2012(continued)

1. Significant accounting policies (continued)

(l) Adoption of new and revised standards and interpretations

New and revised standards not yet effective and not early adopted.

New Standards	Effective for annual periods beginning on or after
IFRS 9 Financial Instruments (early adoption permitted)	1 January 2015
IFRS 10 Consolidated Financial Statements (early adoption permitted)	1 January 2013
IFRS 11 Joint Arrangements (early adoption permitted)	1 January 2013
IFRS 12 Disclosure of Interests in Other Entities (early adoption permitted)	1 January 2013
IFRS 13 Fair Value Measurement	1 January 2013
Revised Standards	
IAS 1 Presentation of Items of Other Comprehensive Income	1 July 2012
IAS 27 (2011)Separate Financial Statements (early adoption permitted)	1 January 2013
IAS 28 (2011)Investments in Associates and Joint Ventures (early adoption permitted)	1 January 2013
IAS 19 Employee Benefits	1 January 2013

IFRS 9, "Financial instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The standards also results in one impairment method replacing the numerous impairment methods in IAS 39 that arise from the different classification categories. The Fund is yet to assess IFRS 9's full impact and will also consider the impact of the remaining phases of IFRS 9 when completed by the IASB.

IFRS 13 "Fair value measurement" aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS or US GAAP. The Fund is yet to assess IFRS 13's full impact and intends to adopt IFRS 13 after this has been completed.

The other new standards listed above have not been discussed as they have no impact on the financial statements of the Fund.

The Trustee does not anticipate that the adoption of the standards in future periods will have a material impact on the financial statements of the Fund.

Notes to the financial statements for the year ended 31 December 2012 (continued)

1. Significant accounting policies (continued)

(m) Units in issue

The Fund issues Units which are redeemable at the option of the Trustee and share equally in any gains and losses.

As stipulated in the Unit Listing Document, the Units constitute equity interests in the Fund. Proceeds received in respect of the Trust assets will be distributed by the Fund to the Unitholders only after payment of amounts due in respect of the VFN, operating expenses and the accrued fees, other expenses and all other obligations and liabilities of the Greenway Infrastructure Fund. The Units are therefore classified as equity.

2. Net losses on financial assets at fair value through profit or loss

	1 January 2012 to 31 December 2012 £	1 January 2011 to 31 December 2011 £
Net unrealised losses on Secured Investments	**(8,908,175)**	(5,406,624)
Net losses from financial assets designated at fair value through profit or loss	**(8,908,175)**	(5,406,624)

The net losses presented above exclude interest income and interest expense. The valuation of Secured Investments at 31 December 2012 has been derived using DCF modelling techniques reflective of their current and anticipated cash flows and market inputs.

3. Other investment income

	1 January 2012 to 31 December 2012 £	1 January 2011 to 31 December 2011 £
Interest income from Secured Investments	**4,928,528**	5,024,421
Bank interest income	**-**	34,846
Total interest income	**4,928,528**	5,059,267
Break and commitment fee income	**31,316**	44,594
Total	**4,959,844**	5,103,861

Notes to the financial statements for the year ended 31 December 2012 (continued)

4. Expenses

	1 January 2012 to 31 December 2012 £	1 January 2011 to 31 December 2011 £
Payable to the Manager or associates of the Manager:		
Manager's periodic charge and Registrar's fee	**50,059**	38,277
Listing agent fees	**3,000**	5,000
	53,059	43,277

	£	£
Payable to the Trustee or associates of the Trustee:		
Trustee's fee	**30,000**	30,095
Administration fees	**43,000**	43,000
Collateral Administration and Reporting Agent fees	**59,700**	52,400
Registration and Transfer Agency fees	**1,500**	1,500
Note Trustee fees	**10,200**	9,966
Paying Agent fees	**1,500**	1,500
Custody and VFN Agent fees	**22,733**	24,441
Bank charges	**1,146**	1,142
	169,779	164,044

	£	£
Other expenses:		
Investment Management and Advisory fees	**395,679**	424,160
Execution Agent fees	**56,526**	60,594
Investment Servicer fees	**113,051**	121,189
Audit fee - Fund	**33,972**	37,000
Audit fee - Greenway Infrastructure Capital Plc	**33,860**	24,946
Permit fees	**1,021**	1,750
Administration fees – Greenway Infrastructure Capital Plc	**31,000**	47,114
Stock exchange fees	**1,500**	1,000
Legal fees	**2,647**	26,351
VFN valuation fees	**20,000**	20,000
Compliance/MLRO fees	**15,000**	15,000
Professional fees - Tax services	**16,000**	16,450
Professional fees – Note series 2 & 8 project costs	**-**	5,803
Sundry	**1,260**	831
	721,516	802,188
Total expenses	**944,354**	1,009,509

Undertaken by the Trustee, the Fund is responsible for bearing certain operating expenses of Greenway Infrastructure Capital plc (GIC).

Notes to the financial statements for the year ended 31 December 2012 (continued)

5. Interest expense

	1 January 2012 to 31 December 2012 £	1 January 2011 to 31 December 2011 £
Interest expense on Variable Funding Note	**2,813,565**	2,905,735

Finance costs consist of interest on the Variable Funding Note and overdraft interest. Only interest on the Variable Funding Note arose during the year. Details on the interest rate applicable to the Variable Funding Note can be found in Note 10.

6. Secured investments

	2012 £	2011 £
Cost brought forward	**227,146,484**	254,034,286
Purchases	**326,691**	244,704
Redemptions	**(7,366,749)**	(27,132,506)
Cost at end of the year	**220,106,426**	227,146,484
Cumulative unrealised loss	**(27,447,396)**	(18,539,221)
Fair value at end of the year	**192,659,030**	208,607,263

Secured Investments are issued in denominations of not less than £50,000 and in integral multiples of £1 and are issued in series. The Note Issuer will use the proceeds from the issue of the Secured Investments to fund the acquisition of certain investments ("underlying investments"). The right to receive interest and principal on Notes of a series will correspond to the rights to receive interest and principal on the underlying investment as specified in the relevant supplemental listing particulars for that series, less 0.01% per annum of interest. The interest receivable on a Secured Investment is based upon the amount of principal outstanding on the Secured Investment at any time. The interest periods and payment dates are set out within the relevant supplemental listing particulars for each series.

Unless previously redeemed in full, each Secured Investment of each series shall be redeemed at its principal amount outstanding with accrued interest on its final maturity date, less any principal losses arising in respect of the relevant underlying investment which are allocable to that Secured Investment in accordance with the terms and conditions applicable to that series. The principal amount outstanding of any Secured Investment at any time is the aggregate principal amount of that Secured Investment on its issue date less any amount of principal repaid thereon from time to time.

Any and all security granted by the Note Issuer in respect of each Series shall be granted in favour of the Note Issuer Security Trustee who shall hold such security on trust for the Fund. The security held in respect of the Secured Investments is comprised of an assignment of all the Note Issuer's rights and title under the underlying investment and its related security (if any), a charge by way of first ranking fixed security of all the Note Issuer's rights and title in the accounts maintained by the Note Issuer in respect of each Series, a floating charge over the Note Issuer's property and assets, and additional foreign law security, if any, in favour of the Note Issuer Security Trustee.

Notes to the financial statements for the year ended 31 December 2012 (continued)

7. Fair value hierarchy

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the lowest level inputs used in making the measurements;

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable variable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses financial instruments, measured at fair value at the end of the year, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1	Level 2	Level 3	Total
Financial assets				
2012				
Secured investments	-	-	192,659,030	192,659,030
	-	-	192,659,030	192,659,030
2011				
Secured investments	-	-	208,607,263	208,607,263
	-	-	208,607,263	208,607,263

The fair values of the Secured Investments have been estimated through DCF modelling techniques, with reference made to expected cashflows arising on underlying loan facility agreements in place at the Greenway Infrastructure Capital plc level. Discount factors have been applied based on relevant LIBOR rates plus a margin. The margins employed are 2.0% (2011: 1.5%) for PFI (Private Finance Initiative) transactions and between 5.0% and 7.7% (2011: 3.5%) for infrastructure transactions.

The analysis below is a reconciliation of the movements in the financial instruments categorised as level 3.

	2012	2011
	£	£
Opening balance	**208,607,263**	240,901,689
Purchases	**326,691**	244,704
Redemptions	**(7,366,749)**	(27,132,506)
Transfers into/(out of) level 3	**-**	-
Movement in the unrealised loss	**(8,908,175)**	(5,406,624)
Closing balance	**192,659,030**	208,607,263

Notes to the financial statements for the year ended 31 December 2012 (continued)

8. Interest and other receivables

	2012 £	2011 £
Accrued interest on Secured Investments	**1,339,351**	1,571,115
Redeemed principal receivable on Secured Investments	**1,135,045**	1,106,122
Other debtors	**2,507**	12,553
Prepayments	**10,350**	21,538
	2,487,253	2,711,328

Redeemed principal receivable on Secured Investments represents amounts to be returned to the Fund in respect of partially redeemed Secured Investments.

9. Units

The Fund's capital is represented by the Units outstanding.

The objective of the Fund is to achieve an attractive risk-adjusted net return to investors. The Fund will seek to achieve its investment objective by investing on a leveraged basis in a portfolio of Secured Investments and Cash Investments.

The Fund does not have any externally imposed capital requirements.

The Fund can issue up to 2,000,000 Units.

	2012		2011	
Units issued and fully paid	**No.**	**£**	No.	£
At 1 January	**239,997**	**24,017,710**	269,035	26,923,688
Redeemed during the year	**-**	**-**	(29,038)	(2,905,978)
At 31 December	**239,997**	**24,017,710**	239,997	24,017,710

(a) The rights attaching to the Units are as follows:

The initial offering of Units was at a price of £100 per unit.

No Unitholder shall have any liability for the debts of the Fund or of the Trustee. Neither the Trustee nor the Manager shall have any authority to enter into any transactions, or incur any debt or liability, as agent for, or otherwise so as to bind contractually, a Unitholder.

The Unitholders shall not have, or acquire, any right against the Trustee in respect of Units save such as are expressly conferred upon them by the Trust Instrument.

Each Unit evidences an undivided beneficial interest in the assets of the Fund and no Unit shall confer any interest or share in any particular part of the Trust assets. Neither the Fund nor the Arranger, Commerzbank AG, London Branch has any obligation to repurchase the Units or any instruments sold to the investor.

Notes to the financial statements for the year ended 31 December 2012 (continued)

9. Units (continued)

Units in the Fund will suffer first losses attributable to the Secured Investments and Cash Investments. Any reductions in interest rates, write-downs of principal, extensions of maturity dates and amortisation schedules and losses on dispositions of Trust assets will be borne first by the Fund and accordingly by Unitholders in the Fund, before any loss to the holders of the Variable Funding Note.

The Unitholders of the Fund shall bear all the risks of the Trustee investing in securities or holding cash denominated in any currency.

The Units may be transferred, subject to the prior written consent of the Manager.

The Trustee shall be entitled to redeem all (or, as applicable, part) of a Unitholder's Units on a pro rata basis:

(i) to the extent required to give effect to the removal of Secured Investments or Cash Investments from the Trust Assets; and

(ii) to the extent required to give effect to an early redemption of the Variable Funding Note notified to the Trustee in writing by the Investment Adviser.

(b) Termination of the Fund

The Fund is a perpetual unlimited Jersey unit trust and there is no right of early redemption under the Units. The Fund will continue indefinitely unless a termination event occurs.

The Trustee shall redeem all of a Unitholder's Units if the Fund terminates as a result of any of the circumstances set out below:

(i) The Variable Funding Note becomes subject to a mandatory redemption in whole pursuant to the terms and conditions of the Variable Funding Note and the Variable Funding Note is not replaced with alternative funding;

(ii) A Variable Funding Note Enforcement Notice is delivered;

(iii) The appointment of the Manager is terminated under the Trust Instrument and no replacement has been appointed as a manager in accordance with the Trust Instrument;

(iv) The appointment of the Investment Adviser is terminated pursuant to the Investment Advisory Agreement and no replacement has been appointed as an investment adviser in accordance with the terms of the Investment Advisory Agreement;

(v) If the gross value of the Trust assets exceeds £50 million, a resolution of Unitholders is passed by the holders of not less than 90% of the aggregate outstanding units and consent of the registered holders of not less than 75% of the aggregate principal amount outstanding of the Variable Funding Note is obtained approving termination; or

(vi) If the gross value of the Trust assets is less than £50 million, a resolution of Unitholders is passed by the holders of not less than 75% of the aggregate outstanding units and consent of the registered holders of not less than 75% of the aggregate principal amount outstanding of the Variable Funding Note is obtained prior to approving termination.

Notes to the financial statements for the year ended 31 December 2012 (continued)

9. Units (continued)

(c) Income distribution policy

The Trustee may from time to time make income distributions arising from the assets of the Fund to the Unitholders. In the event that proceeds arising from the redemption of Secured Investments have not been reinvested within six months after the date of receipt by the Fund they shall be distributed pro rata to the Unitholders.

On each distribution determination date the Trustee shall determine the distribution, in its sole discretion, to be paid by the Fund on the related distribution payment date. The non-payment of an income distribution will not constitute a breach of an obligation in respect of the Fund. Each such income distribution shall be payable by the Fund in arrears on the relevant payment date.

Any amounts retained and not paid out as distributions by the Fund may be reinvested in Secured Investments or Cash Investments, at the discretion of the Investment Adviser.

The Fund may not realise Secured Investments or Cash Investments to pay a distribution.

The Trustee may, with the sanction of an ordinary resolution of the Unitholders and the registered holders of not less than 75% of the aggregate principal amount outstanding of the Variable Funding Note, distribute in kind among holders of such units by way of distribution any of the assets of the Fund.

A distribution of £2.26 per Unit totalling £542,393 was proposed on 10 January 2012 in respect of the period 1 July 2011 to 31 December 2011, but not recognised in those financial statements. This distribution was paid to Unitholders on 18 January 2012 and recognised in the current year.

An interim distribution of £3.33 per Unit totalling £799,190 was proposed on 6 July 2012 and paid to Unitholders on 9 July 2012. The distribution was for the period 1 January 2012 to 30 June 2012 and recognised in the current year.

A final distribution of £2.35 per Unit totalling £563,993 was proposed on 8 January 2013 in respect of the year ended 31 December 2012, but not recognised in these financial statements. This distribution was paid to Unitholders on 21 January 2013. The distribution was for the period 1 July 2012 to 31 December 2012.

(d) Priority of payments

The following order of priority will apply to the distribution of income and other assets of the Fund:

(i) To pay the fees, costs and expenses of the Security Trustee and any Receiver and all amounts payable by the Fund to any tax authority;

(ii) To replace any previous overpayment of an income distribution;

(iii) To pay any costs and expenses associated with the acquisition and/or issue by Greenway Infrastructure Capital plc of the Secured Investments;

(iv) To pay any interest payments outstanding;

(v) To pay to the extent of any shortfall, all expenses relating to the Fund due and payable to the Manager, the Trustee, the Registrar, the Administrator, the Investment Adviser, or in respect of the fees and expenses of its accountants or auditors and any disbursements;

(vi) To pay any amount of principal then due and payable by the Fund in order to effect an early redemption of the Variable Funding Note;

(vii) To pay any income distributions then due and payable by the Fund; and

(viii) In redemption of Units of the Fund in the circumstances noted in (a) or (b) above.

Notes to the financial statements for the year ended 31 December 2012 (continued)

10. Non-current liabilities: Financial liabilities at amortised cost

	2012	2011
Variable Funding Note	**£**	£
At 1 January	**216,154,424**	242,311,808
Redeemed during the year	**(7,411,631)**	(26,157,384)
At 31 December	**208,742,793**	216,154,424

The sterling denominated Variable Funding Note (VFN) has been issued by the Fund for the purpose of providing leverage and for achieving the target returns for investors. The VFN has a minimum denomination of £250,000, constitutes a direct, secured and limited recourse obligation of the Fund, and is secured on the Secured Investments held by the Fund.

The initial issue of the VFN on 22 November 2006 was in the amount of £233,591,600 and a further issue was made on 31 January 2007 in the amount of £14,640,242.

The Fund may, by giving not less than ten business days' prior notice, repay the VFN principal amount outstanding at any time, in whole or in part. Unless previously redeemed in full, the Fund shall redeem the VFN at its principal amount outstanding together with accrued interest on the maturity date of the VFN, being the 28 September 2035, or such other date as may be determined by the Fund and the VFN holder. The VFN shall be subject to mandatory redemption in part on each distribution date if on such distribution date there are any amounts of principal available for distribution in accordance with the Trust Instrument with respect to the Secured Investments, after paying any and all amounts payable out of such funds in priority to payments on the VFN, available to the Fund for payment to the VFN holders.

During the year, the Fund made two additional redemptions of the VFN amounting to £7,411,631 (2011: 26,157,384).

The VFN is split into three tranches.

The interest payable on principal Tranche A is payable semi-annually on 30 June and 31 December each year, on principal Tranche B, interest is payable semi-annually on 31 March and 30 September each year, and on principal Tranche C interest is payable monthly. The Interest for Tranches A and B is determined using the 6 month GBP Libor rate plus a margin and for Tranche C, 1 month GBP Libor rate plus a margin.

	Tranche A £	Tranche B £	Tranche C £	**Total** **£**
At 1 January	60,829,044	143,236,361	12,089,019	**216,154,424**
Tranche rebalancing during the year	3,727,311	(3,552,884)	(174,427)	**-**
Capital redemption January 2012	(3,588,034)	-	-	**(3,588,034)**
Capital redemption July 2012	(3,823,597)	-	-	**(3,823,597)**
At 31 December	57,144,724	139,683,477	11,914,592	**208,742,793**

These changes are instigated to align the VFN to the further changes in the interest payment periods of the corresponding investments.

Notes to the financial statements for the year ended 31 December 2012 (continued)

10. Non-current liabilities: Financial liabilities at amortised cost (continued)

Variable Funding Note fair value

The fair value of the VFN at 31 December 2012 amounted to £196,891,219 (2011: £202,976,748). The fair value is calculated as the difference between the fair value of the Secured Investments and the fair value of the net assets, computed by discounting the Unitholders' cash flows at an unit cost of capital based upon market comparables. The fair value was calculated by the investment adviser but prior to the December quarter, Moody's Analytics prepared the calculation.

Had the net asset value calculated for Unitholder dealing purposes as at 31 December 2012 used the fair value of the Secured Investments as reported in these financial statements and the fair value of the VFN as noted above, then the net asset value would have amounted to £10,599,217 (2011: £21,174,545) and the net asset value per Unit would have amounted to £44.1639 (2011: £88.2283).

11. Interest and other payables

	2012	2011
	£	£
Accrued interest on Variable Funding Note	**693,868**	893,888
Accrued Manager's periodic charge	**24,852**	8,209
Accrued Trustee's fee	**22,500**	7,500
Accrued Administration fees	**9,500**	5,750
Accrued Collateral Administration and Reporting Agent fees	**5,095**	25,436
Accrued Custodian and VFN Agent fees	**12,963**	6,188
Accrued Investment Management and Advisory fees	**197,457**	203,707
Accrued Execution Agent fees	**28,208**	33,601
Accrued Investment Servicer fees	**56,416**	58,202
Accrued other expenses	**182,888**	177,456
	1,233,747	1,419,937

12. Net asset value per Unit and earnings per Unit

The calculation of the basic and diluted loss per Unit for the year ended 31 December 2012 was based on the loss attributable to Unitholders of £7,706,250 (2011: £4,218,007) and weighted average number of Units of 239,997 (2011: 251,302). There is no potential dilution of earnings per Unit.

The calculation of net asset value per Unit at 31 December 2012 was based on net liabilities attributable to Unitholders of £1,975,713 (2011: net assets of £7,072,120) and the number of units outstanding of 239,997 (2011: 239,997).

Notes to the financial statements for the year ended 31 December 2012 (continued)

13. Financial instruments and associated risks

The Fund maintains positions in a variety of non-derivative financial instruments as dictated by its investment management strategy. The objective of the Fund is to achieve an attractive risk-adjusted net return to Investors. The Fund seeks to achieve its investment objective by investing on a leveraged basis in a portfolio of Secured Investments and Cash Investments. The Fund's investment portfolio comprises Secured Investments being Notes issued by Greenway Infrastructure Capital Plc (the "Note Issuer") which are quoted on the Channel Island Stock Exchange, and Cash Investments, being bank account deposits.

Asset allocation is determined by the Investment Adviser who manages the distribution of the assets to achieve the investment objectives.

The nature and extent of the financial instruments outstanding at the statement of financial position date and the risk management policies employed by the Fund are discussed below:

Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk.

The Fund's strategy on the management of investment risk is driven by the Fund's investment objective as shown above. The Fund's market risk is managed by the Investment Adviser in accordance with the policies and procedures in place for the investment of assets held by the Note Issuer. Detailed investment restrictions govern the investment of the Note Issuer's assets in underlying investments and the Investment Adviser to the Note Issuer regularly monitor adherence to those investment restrictions.

Utilising the investment eligibility criteria specified in the Listing Document, the Investment Adviser will aim to select investments for their fundamental value based upon satisfactory due diligence reports.

The valuations of the Fund's assets are monitored on a quarterly basis by the Investment Adviser to the Note Issuer.

Details of the Fund's investment portfolio at the statement of financial position date are disclosed in the schedule of investments included in Appendix 1.

(i) Currency risk

All investments must be denominated in sterling with interest and principal payable in the same currency. Accordingly the Fund is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest bearing financial assets carry a simple floating rate of interest, paid on a periodic basis and computed on a stated benchmark interest rate plus or minus the relevant spread, and are re-priced in the short-term being no longer than 12 months. Interest bearing financial liabilities are comprised of the Variable Funding Note which bears interest based upon 6 month and 1 month LIBOR plus a weighted average margin based upon the individual margin assigned to each underlying investment.

The Fund is exposed to interest rate risk to the extent that the cash flows from the Secured Investments may be based upon different interest rates to that applicable to the Variable Funding Note. In addition, the timing of the interest payments receivable from the Secured Investments may differ to the timing of the interest payments to the holder of the Variable Funding Note.

Notes to the financial statements for the year ended 31 December 2012 (continued)

13. Financial instruments and associated risks (continued)

(ii) Interest rate risk (continued)

The Investment Adviser manages the interest rate risk on an ongoing basis by rebalancing the Variable Funding Note whose interest rate and interest payment profile matches as far as possible the interest rate profile of the Secured Investments.

The following table details the Fund's exposure to interest rate risks. It includes the financial assets at fair value categorised by the earlier of re-pricing date or maturity date measured by the carrying value of the assets and liabilities.

	Interest bearing				
	Current/ 1M LIBOR + Margin £	**3M LIBOR + Margin £**	**6M LIBOR + Margin £**	**Non-interest bearing £**	**Total £**
At 31 December 2012					
Assets					
Designated at fair value through profit or loss:					
Secured Investments	10,627,816	137,950,390	44,080,824	-	192,659,030
Loans and receivables:					
Cash and cash equivalents	12,854,544	-	-	-	12,854,544
Interest and other receivables	-	-	-	2,487,253	2,487,253
Total assets	**23,482,360**	**137,950,390**	**44,080,824**	**2,487,253**	**208,000,827**
Financial liabilities at amortised cost:					
Variable Funding Note	(11,914,592)	(139,683,477)	(57,144,724)	-	(208,742,793)
Accrued expenses	-	-	-	(1,233,747)	(1,233,747)
Total liabilities	**(11,914,592)**	**(139,683,477)**	**(57,144,724)**	(1,233,747)	**(209,976,540)**
Total interest sensitivity gap	**11,567,768**	**(1,733,087)**	**(13,063,900)**	**1,253,506**	**(1,975,713)**

Interest rate sensitivity

An increase of 100 basis points in interest rates as at the reporting date would have increased the net assets attributable to unitholders and changes in net assets attributable to unitholders by £7,710 (2011: £7,825). A decrease of 100 basis points would have had an equal but opposite effect.

Notes to the financial statements for the year ended 31 December 2012 (continued)

13. Financial instruments and associated risks (continued)

(ii) Interest rate risk (continued)

	Interest bearing				
	Current/ 1M LIBOR + Margin £	3M LIBOR + Margin £	6M LIBOR + Margin £	Non-interest bearing £	Total £
At 31 December 2011					
Assets					
Designated at fair value through profit or loss:					
Secured Investments	25,938,703	145,956,959	36,711,601	-	208,607,263
Loans and receivables:					
Cash and cash equivalents	13,327,890	-	-	-	13,327,890
Interest and other receivables	-	-	-	2,711,328	2,711,328
Total assets	39,266,593	145,956,959	36,711,601	2,711,328	224,646,481
Financial liabilities at amortised cost:					
Variable Funding Note	(12,089,019)	(143,236,361)	(60,829,044)	-	(216,154,424)
Accrued expenses	-	-	-	(1,419,937)	(1,419,937)
Total liabilities	(12,089,019)	(143,236,361)	(60,829,044)	(1,419,937)	(217,574,361)
Total interest sensitivity gap	**27,177,574**	**2,720,598**	**(24,117,443)**	**1,291,391**	**7,072,120**

(iii) Other price risk

Other price risk is the risk that the value of the financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk) whether caused by factors specific to an individual investment or non-specific factors arising due to changes in general market conditions.

As the majority of the Fund's financial assets are carried at fair value with fair value changes recognised in the statement of comprehensive income, all changes in market conditions will directly affect net income.

Price risk is managed by the Investment Adviser by utilising the investment eligibility criteria specified in the Listing Document and ensuring that investments are selected for their fundamental value based upon satisfactory due diligence reports.

Notes to the financial statements for the year ended 31 December 2012 (continued)

13. Financial instruments and associated risks (continued)

(iii) Other price risk (continued)

The value of the Secured Investments is dependent upon the value of the underlying investments held by the Note Issuer and upon which they are secured. Underlying investments include the following categories:

(i) senior secured loans, senior unsecured loans, subordinated secured loans or subordinated unsecured loans as may be recommended by the Investment Adviser in accordance with the Investment Management and Advisory Agreement; or

(ii) participations in all or part of senior secured loans, senior unsecured loans, subordinated secured loans or subordinated unsecured loans from Mizuho Corporate Bank, Ltd., Commerzbank AG, London Branch or such other financial institution as may be nominated by the Investment Adviser; or

(iii) any note issued in relation to a project meeting the eligibility criteria as may be recommended by the Investment Adviser in accordance with the Investment Management and Advisory Agreement; or

(iv) any other asset as may be recommended by the Investment Adviser and Note Issuer in accordance with the terms of the Investment Management and Advisory Agreement

Loans may be susceptible to default, and projects that underlie these loans may be susceptible to changes in legislation that may discriminate against them. Projects may not be completed within the agreed price or time period, and certain investments may be subject to a degree of demand or utilisation risk. Any such occurrence may affect the ability of the underlying obligor to meet its payments under the underlying loan and the market value of the corresponding Secured Investment may be detrimentally affected.

Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the statement of financial position date. This also relates to financial assets carried at amortised cost, as they have a short term to maturity.

At the statement of financial position date, the Fund's financial assets exposed to credit risk amounted to the following:

	2012	2011
	£	£
Secured Investments	**192,659,030**	208,607,263
Cash and cash equivalents	**12,854,544**	13,327,890
Interest and other receivables	**2,487,253**	2,711,328
Total	**208,000,827**	224,646,481

Credit risk arising on Secured Investments is mitigated by ensuring that the underlying investments held by the Note Issuer comply with the eligibility criteria set out in the Listing Document.

The Investment Adviser ensures that the underlying investments are classified either as category one or category two investments based upon their creditworthiness. Category one investments must be related to a project either (a) with the benefit of a guarantee from an insurer rated AAA by S&P (or equivalent) or (b) with an Availability Based Payment Regime in which the majority of the total base cost post construction completion revenues are expected to be generated from availability and/or performance type payments. Category two investments are those related to a project with a Non-Availability Based Payment Regime, other infrastructure scheme or regulated utility transaction.

As part of the ongoing assessment and management of credit risk, the Trustee relies on the Investment Adviser's process of monitoring the performance of the underlying projects.

Notes to the financial statements for the year ended 31 December 2012 (continued)

13. Financial instruments and associated risks (continued)

Credit risk (continued)

Substantially all of the cash held by the Fund is held by BNP Paribas, Jersey Branch. Bankruptcy or insolvency of BNP Paribas, Jersey Branch may cause the Fund's rights with respect to the cash held by BNP Paribas, Jersey Branch to be delayed or limited.

Liquidity risk

Liquidity risk is the risk of mismatches between maturities of assets and liabilities which may result in the Fund being unable to meet its obligations in a timely manner.

The Fund's Trust Instrument provides for the quarterly creation of units and it is therefore exposed to the liquidity risk of receipt of Unitholder funding. The Fund has no obligation to repurchase any units held by the Unitholders.

Interest on the Variable Funding Note is payable semi-annually and monthly, and is paid out of interest received on Secured Investments. The Variable Funding Note is repayable in full on 28 September 2035, or at such date as may be agreed by the Fund and the Variable Funding Note holder.

The Fund's liquidity risk is managed on an ongoing basis by the Investment Adviser in accordance with the underlying investment eligibility criteria set out in the Listing Document.

The Fund maintains a proportion of its assets in cash to maintain liquidity and to settle accounts payable and accrued expenses.

Residual contractual undiscounted maturities of financial liabilities:

	Less than 1 year £	Between 1-5 years £	More than 5 years £	Total £
At 31 December 2012				
Financial liabilities				
Measured at amortised cost:				
Variable Funding Note	**(3,544,541)**	**-**	**(205,198,252)**	**(208,742,793)**
Interest and expenses payable	**(1,233,747)**	**-**	**-**	**(1,233,747)**
Total liabilities	**(4,778,288)**	**-**	**(205,198,252)**	**(209,976,540)**
At 31 December 2011				
Financial liabilities				
Measured at amortised cost:				
Variable Funding Note	(3,588,034)	-	(212,566,390)	(216,154,424)
Interest and expenses payable	(1,419,937)	-	-	(1,419,937)
Total liabilities	(5,007,971)	-	(212,566,390)	(217,574,361)

The tables above show the contractual, undiscounted cash flows of the Fund's financial liabilities. The principal and interest cash flows due on the Variable Funding Note are linked to the availability of cash from the secured investments. The Trustee has therefore decided not to present contractual interest cash flows because the Trustee believes that any such estimate would not be a true reflection of the liquidity risk arising from the Variable Funding Note.

The Fund has an undrawn cash commitment to GIC plc of £4,836,120 in relation to the secured investments.

Notes to the financial statements for the year ended 31 December 2012 (continued)

14. Contingent liabilities and commitments

There were no contingent liabilities at the statement of financial position date. The Fund undertakes to subscribe for any Notes issued by the Note Issuer when the Note Issuer is itself required to make payments in respect of its underlying investments. No such payment obligations by the Note Issuer were outstanding at the statement of financial position date.

The carrying amount of financial assets pledged as collateral for the Fund's liabilities is comprised of all of the Fund's rights, title, interest and benefit, present and future, in and to the Notes and any other investments made by the Fund, and all amounts standing to the credit of any accounts held by the Fund, including all monies, income and proceeds payable to the Fund, and all property and assets held by the Fund.

The total value of the financial assets held by the Fund at 31 December 2011 pledged as collateral for the Fund's liabilities is £208,000,827 (2011: £224,646,481).

15. Related party transactions

As Manager and Registrar to the Fund, Ogier Fund Administration (Jersey) Limited is deemed to be a related party.

As Trustee to the Fund, BNP Paribas Jersey Trust Corporation Jersey Limited is deemed to be a related party.

All transactions and balances associated with the Manager and Trustee are disclosed in Notes 4 and 11.

Included within the Investment Management and Advisory fees, the Execution Agent fees and the Investment Servicer's fees are fees paid to Commerzbank AG, London Branch, Mizuho Corporate Bank, Ltd and Mizuho International plc. Transactions and balances associated with these parties are disclosed in Notes 4 and 11. These parties are deemed to be related parties to the Fund on the basis that they have an interest in the Fund that gives them the ability to exert a significant influence over the Fund.

Commerzbank AG, London Branch as sole holder of the Variable Funding Note is deemed to be a related party to the Fund on the basis of the significant influence identified above. Interest paid to Commerzbank AG, London Branch as holder of the Variable Funding Note, and the carrying amount of the Variable Funding Note at the statement of financial position date, is identified in Notes 5 and 10.

On the basis that Commerzbank AG, London Branch is a controlling party and an Investment Adviser of Greenway Infrastructure Capital plc, transactions with Greenway Infrastructure Capital plc are deemed to be related. Transactions with Greenway Infrastructure Capital plc during the period related to the acquisition and return of principal in respect of the Secured Investments, the payment of interest on Secured Investments to the Fund, and the payment of fees and deposit interest to the Fund. Interest on Secured Investments and fees paid to the Fund during the period are set out in Note 3.

Deposit interest paid to the Fund during the period was nil (2011: £38,140).

Amounts paid by the Fund in respect of Secured Investments during the period total £302,419 (2011: £241,935).

Amounts received by the Fund in respect of return of principal during the period total £7,337,826 (2011: £27,074,626).

The total value of Secured Investments held at the statement of financial position date is disclosed in Note 6.

All transactions between the Fund and the related parties set out above have been undertaken on an arms length basis.

Notes to the financial statements for the year ended 31 December 2012 (continued)

16. Segment Information

The investment manager makes the strategic resource allocations on behalf of the Fund. The Fund has determined the operating segments based on the reports reviewed by the investment manager, which are used to make strategic decisions.

The investment manager is responsible for the Fund's entire portfolio and considers the business to have a single operating segment. The investment manager's asset allocation decisions are based on a single, integrated investment strategy and the Fund's performance is evaluated on an overall basis.

The internal reporting provided to the investment manager for the Fund's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS. The Fund invests in the United Kingdom which is also the source of all of it's investment income.

There were no changes in the reportable segments during the year.

17. Post balance sheet events

On 8 January 2013, the Fund declared a total dividend of £563,993 to Unitholders on the register at 31 December 2012. This was paid on 21 January 2013.

On 21 January 2013, the Fund made a partial mandatory repayment of the Variable Funding Note of £3,544,541 leaving a balance of the VFN principal of £205,198,252.

18. Reconciliation of net asset value

	2012	2011
	£	£
Net asset value as previously reported for Unitholder dealing purposes	**10,599,217**	21,174,545
Deferred income: discount on purchase of note series 24	**(29,488)**	(30,771)
Revaluation adjustment of financial liabilities at amortised cost – variable funding note (for Unitholder dealing purposes)	**(12,545,442)**	(14,071,654)
Net (liabilities)/assets per financial statements	**(1,975,713)**	7,072,120

As disclosed in Note 10, the fair value of the VFN liability is calculated on a quarterly basis by the Investment Adviser and the revised price is used in the determination of the Net Asset Value of the Fund for Unitholder dealing purposes.

In the prior year it was noted that additional write downs were necessary to adequately reflect the fair value of the financial assets. Accordingly, the revision to the fair values of the Secured Investments resulted in a difference between the net asset value that was reported for Unitholder dealing purposes.

19. Controlling party

The Fund's immediate and ultimate controlling party is Commerzbank AG, a company incorporated in Germany.

Appendix 1

Schedule of investments

As at 31 December 2012

Investment	2012 Valuation £	2012 % of Net Liabilities %	2011 Valuation £	2011 % of Net Assets %
United Kingdom				
Series 2	13,577,402	(687.22)	14,633,616	206.92
Series 3	2,276,901	(115.24)	3,399,864	48.07
Series 4	5,859,100	(296.56)	6,182,010	87.42
Series 5	22,195,311	(1,123.42)	23,143,818	327.25
Series 6	8,093,637	(409.66)	8,389,628	118.63
Series 7	17,847,005	(903.32)	18,524,296	261.93
Series 8	6,725,614	(340.41)	8,032,441	113.58
Series 9	5,058,479	(256.03)	8,573,813	121.23
Series 10	12,228,588	(618.95)	12,750,662	180.29
Series 11	10,627,816	(537.92)	11,305,087	159.85
Series 13	12,981,188	(657.04)	13,765,673	194.65
Series 14	21,022,569	(1,064.05)	21,936,697	310.19
Series 16	6,019,032	(304.65)	6,360,256	89.93
Series 17	12,044,050	(609.61)	12,526,442	177.12
Series 18	11,222,501	(568.02)	11,776,512	166.52
Series 19	5,018,588	(254.01)	6,201,091	87.68
Series 21	9,040,521	(457.58)	9,716,118	137.39
Series 23	5,410,364	(273.84)	5,694,619	80.53
Series 24	5,410,364	(273.84)	5,694,620	80.53
Portfolio of investments	192,659,030	(9,751.37)	208,607,263	2,949.71
Net other liabilities	(194,634,743)	9,851.37	(201,535,143)	(2,849.71)
Net assets	(1,975,713)	100.00	7,072,120	100.00

Appendix 2

Summary of Material Portfolio Changes
For the year ended 31 December 2012

Investment	1 January 2012 to 31 December 2012 Purchase cost £	1 January 2012 to 31 December 2012 Redemption proceeds £	1 January 2011 to 31 December 2011 Purchase cost £	1 January 2011 to 31 December 2011 Redemption proceeds £
Series 2	302,419	(262,097)	241,935	(243,790)
Series 3	-	(1,129,985)	-	(1,136,101)
Series 4	-	(327,608)	-	(309,034)
Series 5	-	(386,778)	-	(360,836)
Series 6	-	(139,237)	-	(111,587)
Series 7	-	(344,226)	-	(321,424)
Series 8	-	(47,378)	-	(89,551)
Series 9	24,272	-	2,769	-
Series 10	-	(391,406)	-	(414,692)
Series 11	-	(174,427)	-	(143,176)
Series 13	-	(710,773)	-	(626,553)
Series 14	-	(327,551)	-	(298,012)
Series 15	-	-	-	(14,045,718)
Series 16	-	(274,109)	-	(256,656)
Series 17	-	(343,444)	-	(292,105)
Series 18	-	(330,885)	-	(310,589)
Series 19	-	(1,161,009)	-	(1,100,529)
Series 21	-	(660,344)	-	(1,108,879)
Series 22	-	-	-	(5,617,524)
Series 23	-	(177,746)	-	(172,875)
Series 24	-	(177,746)	-	(172,875)
Total for the period	326,691	(7,366,749)	244,704	(27,132,506)