

Company Registration Number: 05966493

Greenway Infrastructure Capital Plc

Strategic report, Directors' report and Financial statements

For the year ended 31 December 2017

Greenway Infrastructure Capital Plc
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For the year ended 31 December 2017

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Greenway Infrastructure Capital Plc
Company information
For the year ended 31 December 2017

Company Registration Number

05966493

The Board of Directors

Joint Corporate Services Limited
TMF Corporate Directors Limited
Stephen William Spencer Norton

Company Secretary

Joint Secretarial Services Limited
5th Floor
6 St Andrew Street
London, EC4A 3AE

Registered Office

5th Floor
6 St Andrew Street
London, EC4A 3AE

Independent Auditor

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Legal Advisor

Sidley Austin
Woolgate Exchange
25 Basinghall Street
London, EC2V 5HA

Bank Details

BNP Paribas Securities Services
London Branch
55 Moorgate
London, EC2R 6PA

Corporate Service Provider

TMF Global Services (UK) Limited
5th Floor
6 St Andrew Street
London, EC4A 3AE

Trustee

BNP Paribas Trust Corporation UK Limited
55 Moorgate
London, EC2R 6PA

Greenway Infrastructure Capital Plc
Strategic report
For the year ended 31 December 2017

The directors present their Strategic report and the financial statements of Greenway Infrastructure Capital Plc (the "Company") for the financial year ended 31 December 2017.

Principal activities and review of business

The Company is a special purpose company established in order to issue floating rate loan notes (or the "Notes") due on various dates up to 2035, the proceeds from which are used to acquire the beneficial interest in a portfolio of UK private finance initiative projects ("PFI") and other infrastructure investments from Mizuho Bank, Ltd. and Commerzbank AG, London Branch, as described in the Offering Circular dated 22 November 2006. The Notes are managed by BNP Paribas Securities Services and are listed on the Channel Islands Stock Exchange.

Results and dividends

The trading results for the year and the Company's financial position at the end of the year are presented on pages 11 and 12.

The profit for the financial year was £2,919,431 (2016: profit £1,865,260). The directors do not recommend a dividend to be paid (2016: £nil).

Business review

The key performance indicator of the business is considered to be the net interest margin. During the year to 31 December 2017 the Company achieved a net interest margin of -0.08% (2016: 0.01%) (this is inclusive of other interest income that was recognised during the year). The net interest margin represents the ratio of the difference between the interest receivable on the investment portfolio and the interest payable on the funding loan notes over the gross value of the investment portfolio at year end. At the reporting date, the Company had net liabilities of £5,095,688 (2016: net liabilities of £8,015,120).

Financial instruments

The Company's financial instruments comprise an investment portfolio, cash and cash equivalents, interest-bearing borrowings and various receivables and payables that arise directly from its operations. The main purpose of these financial instruments is to acquire UK PFI and other infrastructure investments portfolio (the "Portfolio") from Mizuho Bank, Ltd. and Commerzbank AG, London Branch.

The Company did not enter into derivative transactions.

The Company's policy is that no trading in financial instruments is undertaken throughout the financial year ended 31 December 2017 or in prior periods.

The main risk arising from the Company's financial instruments is credit risk. The Board reviews and agrees policies for managing this and the other risks arising on the Company's financial instruments which are summarised below. Further discussion of the Company's approach to financial instruments is set out in note 1 (Accounting policies).

Currency risk

All the Company's assets and liabilities are denominated in Pounds Sterling and therefore there is no foreign currency risk.

Interest rate risk

Interest rate risk exists where assets and liabilities have interest rates set under a different basis or which reset at different times. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of its assets and liabilities are similar.

Credit risk

The Company is subject to the risk of delays in the receipt, or risk of defaults in the making, of payments due from Borrowers in respect of the Portfolio. There can be no assurance that the levels or timeliness of payments of collections and recoveries received from the Portfolio will be adequate to ensure timely fulfillment of the Company's obligations in respect of the Notes on each interest payment date or on the final legal maturity date.

The most significant concentration of credit risk is considered to be within the Portfolio. At 31 December 2017, £156,578,197 (2016: £173,690,735) was outstanding, which is the gross loan amount (excluding provision). The maximum exposure to credit risk is represented by the carrying amount of the Portfolio, which is diversified across a number of industries.

The directors consider that the Company's beneficial interest in the Portfolio granted as security will be sufficient to recover the full amount of the Portfolio with the exception of Series 8.

Mizuho Bank, Ltd. and Commerzbank AG, London Branch, from whom the investment portfolios have been purchased, undertake extensive investigations before issuing loans and before any asset can be added to the Portfolio certain eligibility criteria and sector criteria (including that the assets are operated and/or maintained with a view to providing an essential service to a Public Sector Entity) must be met. However Mizuho Bank, Ltd. and Commerzbank AG, London Branch no longer provide warranties and representations in relation to the credit risk of the assets originally provided in the initial transaction documentation.

Greenway Infrastructure Capital Plc
Strategic report
For the year ended 31 December 2017

Financial instruments (continued)

Credit risk (continued)

Given the deterioration in the performance of the underlying borrower, future cash flows are not anticipated to cover all contractual obligations under the Series 8 loans. The directors have considered what the most likely future cash flows are anticipated to be over the life of the loans and discounted this back at the loan's original effective interest rate. The gross amount of impaired loans at 31 December 2017 is £13.5m (2016: £24.2m) with an associated impairment provision of £5.5m (2016: £8.5m).

The situation for the Series 8 loan is that trading has remained relatively stable, improving on the previous years' performance. The gross amount of the Series 8 loan at 31 December 2017 is £13.5m (2016: £14.1m) with an associated impairment provision of £5.5m (2016: £6m). With relation to Series 8, the Company remains exposed to the economic trends in the UK, to the short-term strategy of the competing low-cost airlines and to weather conditions that can affect sailings and in some instances cause damage to the vessel fleet (which occurred early in 2014). Based on the current financial information, the carrying value (after impairment) of this asset was £7m at 31 December 2017 (2016: £7.6m), and was subsequently sold in May 2018.

The series 9 loan was fully repaid and subsequently the note was delisted during the financial year and on 31 March 2017, the M6 position was sold at 80.3% of the carrying value following the long term deterioration of the underlying asset.

Liquidity risk

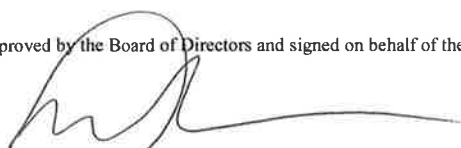
In the event of the liquidation of the Company, the assets of the Company, including the Portfolio, may be realised by the Company at a value agreed between the Company and the relevant purchaser of such assets. The amount realised by the Company in respect of the transfer of its assets to a purchaser in such circumstances may not be sufficient to redeem all of the Notes in full at their then principal amount outstanding. In this case the Company is protected through the ability to exercise the post enforcement call option ("PECO") that the Company has entered into. The PECO will have the effect of legally extinguishing any debt owed to the holders of the Notes (the "Noteholders") in the event that repayment becomes impossible for the Company. The Notes will then be derecognized.

There is no short term liquidity risk for the Company due to the Notes maturing at the same date as the underlying assets.

Below is a summary of the investments held under the portfolio during the reporting period:

Investment	Series number	Description
EDUCATION SUPPORT	4	Loan for the design, development and operation of schools
RENFREWSHIRE SCHOOLS	5	Loan for the design, development and operation of schools
THE HOSPITAL COMPANY	6	Loan for financing and maintenance of hospital with provision of non-clinical services
CHILDRENS ARK PSHP	7	Loan for operation of hospital
MIOM LTD	8	Loan for domestic ferry company
ENSIGN HIGHWAYS LTD	10	Loan for highway maintenance contractors
BYCENTRAL LTD	11	Loan for the design, development and operation of hospital
SERVICES SUPPORT SEL	13	Loan for the design, development and operation of police stations and headquarters
HEALTH MANAGEMENT	14	Loan for the design, development and operation of hospital
WOOLDALE PARTNERSHIP	16	Loan for the development and operation of learning centre
PROSPECT HEALTHCARE	17	Loa for the design, development and operation of hospital
BOOTLE ACCOMODATION PSHP	18	Loan for the development and operation of offices
ALC	21	Loan for the operation and provision of construction equipment
BY EDUCATION	23	Loan for the design, development, and operation of education facilities
BY EDUCATION	24	Loan for the design, development, and operation of education facilities

Approved by the Board of Directors and signed on behalf of the board:



Stephen William Spencer Norton
 Director

28 June 2018

Greenway Infrastructure Capital Plc
Directors' report
For the year ended 31 December 2017

The directors present their report and the financial statements of Greenway Infrastructure Capital Plc for the year ended 31 December 2017.

Share capital

During the year the Company did not allot further shares. The allotted share capital is 50,000 ordinary shares of £1, of which 49,998 £1 ordinary shares are quarter paid and 2 £1 ordinary shares are fully paid.

Directors

The directors who served the Company during the year have no beneficial interest in the shares of the Company. The directors are as follows:

Joint Corporate Services Limited
TMF Corporate Directors Limited
Stephen William Spencer Norton

The directors had no material interest in any contract of significance in relation to the business of the Company.

Going concern

Due to the way the loan notes are structured (refer to note 11) the directors are satisfied that the Company will have sufficient resources to meet its obligations under the respective loan note series either through the realisation of cash flows from the investment security or through the exercise of the PECO and subsequent legal extinguishment of the debt as discussed in the strategic report.

From an accounting perspective, the Notes are carried at amortised cost until such time as they become extinguished – in this case either through repayment of principal and interest, or through the PECO – carried at par. At this point, the carrying amount of the debt is then taken to reserves (potentially either through the income statement or directly to equity).

On 23 June 2016 the UK voted to leave the EU. At the date of signing these accounts the Directors do not foresee any immediate risks crystallising, however, they acknowledge the uncertainty that now exists. The directors will continue to keep this under review.

The directors have assessed all factors which they believe affect the Company's going concern and have concluded that there is no reason to believe that a significant uncertainty exists that may cast doubt about the ability of the Company to continue as a going concern.

Creditor payment policy

The Company's policy concerning payment of its trade creditors is to pay in accordance with its contractual and other legal obligations. Due to the nature of the business, the main creditors are the Noteholders. Principal and interest were repaid monthly in accordance with the agreements in place. The Company does not follow any other code or standard on payment practice.

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Political and charitable donations

The Company made no political or charitable donations or incurred any political expenditure during the year (2016: nil).

Subsequent events

The series 8 loan was sold on 25 May 2018 for a total consideration of £8,058,372. The level of impairment associated with this loan has been adjusted to reflect this disposal value as at the reporting date.

Approved by the Board of Directors and signed on behalf of the board:



Stephen William Spencer Norton
Director

28 June 2018

Greenway Infrastructure Capital Plc
Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements
For the year ended 31 December 2017

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors and signed on behalf of the board:



Stephen William Spencer Norton
Director

28 June 2018

**Independent Auditor's Report to the members of Greenway Infrastructure Capital Plc
For the year ended 31 December 2017**

1 Our opinion is unmodified

We have audited the financial statements of Greenway Infrastructure Capital PLC ("the Company") for the year ended 31 December 2017 which comprise the Statement of comprehensive Income, Statement of financial position, Statement of changes in equity, Statement of cash flows and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of the Company's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to those charged with governance.

We were appointed as auditor by the directors before 31 December 2007. The period of total uninterrupted engagement is for the eleven financial years ended 31 December 2017. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter (unchanged from 2016), in arriving at our audit opinion above, together with our key audit procedures to address the matter and, as required for public interest entities, our results from those procedures. The matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on the matter.

	The risk	Our response
<p>Loan impairment (Impairment provision balance £5.5m, 2016: £8.5m) Refer to page 16 (accounting policy) and note 5 (financial disclosures)</p>	<p>Subjective estimate</p> <p>The Company holds a portfolio of 15 commercial loans (2016: 16) consisting of UK private finance initiative projects ("PFI") and other infrastructure investments.</p> <p>The Company assesses each loan for indicators of impairment in accordance with the relevant accounting standards.</p> <p>The commercial loan book requires the Directors to make significant judgements over the ability of counterparties to make future loan repayments.</p> <p>Whilst consideration is given to historical collections performance, there is a risk that not all loans that require an individual impairment provision will be identified.</p> <p>As a result, the Company employs in-life monitoring procedures to identify possible indicators of impairment.</p> <p>Once an impairment indicator is identified, the individual impairment is mostly sensitive to the performance of the underlying project. Therefore the estimate of impairment balance is dependent on the revised future cash flows (principal and interest repayment) as agreed with the counterparty.</p>	<p>Our procedures included:</p> <p>Our sector experience: We examined and inspected the credit files for all commercial loans and formed our own judgement, based on the individual facts and circumstances, as to whether an impairment is required. This included an inspection of performing accounts to assess if there was any evidence of impairment; and an inspection of accounts where an impairment trigger had been met.</p> <p>Test of details We agreed all historical principal and interest repayments during the reporting period to the bank statements to evidence loan repayments were being made in line with the agreed schedule.</p> <p>We also agreed principal and interest repayments in the first subsequent quarter to bank statements to assess the post year end performance of all loans to identify any post year end impairment indicator.</p> <p>For the one account which is impaired, we derived the impairment balance from the subsequent settlement which occurred post year-end. Given there are no other impaired accounts we did not discount any revised future cash flows.</p>

Independent Auditor's Report to the members of Greenway Infrastructure Capital Plc (continued)
For the year ended 31 December 2017

	The risk	Our response
		<p>Enquiry of Directors We enquired with Directors as to whether information had subsequently come to light post year end that could impact our assessment of the loan impairment. We checked this information to external support such as bank statements and post year-end agreements.</p> <p>Our results We found the resulting estimate of the loan portfolio impairment provision to be acceptable (2016: acceptable).</p>

3 Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £1.59m (2016: £1.65m), determined with reference to a benchmark of Total Assets of £152.69m (2016: £ 166.64m) (of which it represents 1% (2016: 1%)).

We consider Total Assets to be the most appropriate benchmark for materiality as the company is set up to make a statutory profit and accordingly its strategy is not one purely of profit maximisation. Total assets are deemed to be the benchmark which users of the financial statements focus their attention on.

We agreed to report to those charged with governance any corrected or uncorrected identified misstatements exceeding £79k (2016: £82k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

4 We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

5 We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

6 We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 7, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the members of Greenway Infrastructure Capital Plc (continued)
For the year ended 31 December 2017

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or other irregularities (see below), or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Irregularities – ability to detect

Our audit aimed to detect non-compliance with relevant laws and regulations (irregularities) that could have a material effect on the annual report. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors (as required by auditing standards).

We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered the extent of compliance with those laws and regulations as part of our

In addition we considered the impact of laws and regulations in the specific areas of company legislation recognising the nature of the company's activities. With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors and inspection of legal correspondence. We considered the effect of any known or possible non-compliance in these areas as part of our procedures on the related annual report items.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout

As with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

8 The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Davidson (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Sovereign Square
Sovereign Street
Leeds
United Kingdom
LS1 4DA

M Davidson

28 June 2018

Greenway Infrastructure Capital Plc
Statement of comprehensive income
For the year ended 31 December 2017

		2017	2016
	Note	£	£
Interest receivable and similar income	2	2,251,750	2,301,195
Interest payable and similar charges	3	(2,366,933)	(2,137,860)
Net interest (loss)/ income		(115,183)	163,335
Fees and commissions receivable		68,644	48,449
Operating expenses	4	(68,644)	(48,449)
Release of impairment provision	5	3,034,614	1,701,925
Profit before taxation		2,919,431	1,865,260
Taxation	6	-	-
Profit after taxation		2,919,431	1,865,260
Total comprehensive income for the year attributable to equity holders of the company		2,919,431	1,865,260

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 15 to 26 form part of these financial statements.

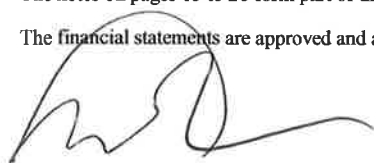
Greenway Infrastructure Capital Plc
Statement of financial position
For the year ended 31 December 2017

Company registration number 05966493

		2017	2016
ASSETS	Note	£	£
Non-current assets			
Investment portfolio	7	<u>143,539,743</u>	<u>158,010,630</u>
Total assets		<u>143,539,743</u>	<u>158,010,630</u>
Current assets			
Investments portfolio	7	7,553,864	7,160,899
Loan and other receivables - accrued interest	8	681,504	390,368
Other receivables		50,000	50,000
Cash and cash equivalents	9	<u>864,287</u>	<u>1,023,410</u>
		<u>9,149,655</u>	<u>8,624,677</u>
Total assets		<u>152,689,398</u>	<u>166,635,307</u>
EQUITY AND LIABILITIES			
Non-current liabilities			
Interest bearing loans	11	<u>149,024,334</u>	<u>166,529,835</u>
Total non-current liabilities		<u>149,024,334</u>	<u>166,529,835</u>
Current liabilities			
Interest bearing loans	11	7,553,864	7,160,899
Interest bearing loans - accrued interest	11	389,848	382,912
Trade and other payables	12	<u>817,040</u>	<u>576,781</u>
		<u>8,760,752</u>	<u>8,120,592</u>
Total liabilities		<u>157,785,086</u>	<u>174,650,427</u>
Equity			
Share capital	10	50,000	50,000
Accumulated losses		(5,145,688)	(8,065,120)
Total equity attributed to equity holders of the company		<u>(5,095,688)</u>	<u>(8,015,120)</u>
Total equity and liabilities		<u>152,689,398</u>	<u>166,635,307</u>

The notes on pages 15 to 26 form part of these financial statements.

The financial statements are approved and authorised for issue by the Board of Directors on 28 June 2018 and signed on its behalf by:



Stephen William Spencer Norton
 Director

Greenway Infrastructure Capital Plc
Statement of changes in equity
For the year ended 31 December 2017

	Share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	50,000	(9,930,380)	(9,880,380)
Profit and total comprehensive income for the year	-	1,865,260	1,865,260
Balance at 31 December 2016	<u>50,000</u>	<u>(8,065,120)</u>	<u>(8,015,120)</u>
Balance at 1 January 2017	50,000	(8,065,120)	(8,015,120)
Loss and total comprehensive expense for the year	-	2,919,431	2,919,431
Balance at 31 December 2017	<u>50,000</u>	<u>(5,145,689)</u>	<u>(5,095,689)</u>

The notes on pages 15 to 26 form part of these financial statements.

Greenway Infrastructure Capital Plc
Statement of cash flows
For the year ended 31 December 2017

	2017	2016
	£	£
Cash flows from operating activities		
Profit before tax for the year	2,919,431	1,865,260
<i>Adjustments for:</i>		
Impairment release	(3,034,614)	(1,701,925)
Increase/ (decrease) in interests – bearing loans interest accrual	6,935	(685,602)
Increase/ (decrease) in trade and other payables	240,261	(701,520)
(Increase)/ decrease in loans and other receivables – accrued interest	(291,136)	352,444
Net cash used in operating activities	<u>(159,123)</u>	<u>(871,343)</u>
Cash flows from Investing activities		
Movement of beneficial interest in Loan Assets	10,668,039	(179,945)
Loan Assets principal repayments	6,444,497	7,764,804
Net cash generated from investing activities	<u>17,112,536</u>	<u>7,584,859</u>
Cash flows from Financing activities		
Loan notes principal repayments	(17,112,536)	(7,584,859)
Net cash used in financing activities	<u>(17,112,536)</u>	<u>(7,584,859)</u>
Net decrease in cash and cash equivalents	<u>(159,123)</u>	<u>(871,343)</u>
Cash and cash equivalents at beginning of financial year	1,023,410	1,894,753
Cash and cash equivalents at end of financial year	<u>864,287</u>	<u>1,023,410</u>

The notes on pages 15 to 26 form part of these financial statements.

All withdrawals from the Company's bank accounts are restricted by the detailed priority of payments set out in the transaction agreements and as such the cash and cash equivalents are not freely available to be used for other purposes.

Greenway Infrastructure Capital Plc
Notes to the financial statements
for the year ended 31 December 2017

1. SIGNIFICANT ACCOUNTING POLICIES

Greenway Infrastructure Capital Plc is a Company incorporated in the UK under the Companies Act 2006 and domiciles in the United Kingdom. The Company's registered office is 6 St Andrew Street, London, EC4A 3AE.

The financial statements of the Company are prepared on a going concern basis under the historical cost convention as modified by revaluation of certain financial instruments in accordance with the Companies Act 2006 (the "Act") and applicable accounting standards in United Kingdom. The Company has adopted and is in compliance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"). The transition date was 1 January 2017.

In the prior year the Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and implemented in the UK, interpretations issued by the IFRS Interpretations Committee (IFRIC) and with those parts of the Companies Act 2006 applicable to organisations reporting under IFRS.

The year of the last financial statements reported under International Financial Reporting Standards (IFRS) was 1 January 2016 to 31 December 2016. The accounting policies on transition to FRS 102 have no significant effect on the Statement of Comprehensive Income and the Statement of Financial Position of the Company. Therefore no reconciliation of the Company's equity and profit and loss determined under previous International Financial Reporting Standards (IFRS) and the Company's equity and profit and loss determined under FRS 102 has been performed. Please refer to note 18 for more details.

The accounting policies which have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements are set out below.

Basis of preparation

The financial statements have been prepared on a historical cost convention except for certain financial instruments that are carried at fair value. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Since the principal activity of the Company is to provide finance, the directors are of the opinion that it is more appropriate to use interest receivable and interest payable rather than turnover and cost of sales in preparing the statement of comprehensive income.

Functional and presentation currency

The financial statements are presented in Sterling, which is also the functional currency of the Company. All amounts, unless otherwise stated have been rounded to the nearest pound.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position and management of various risks are set out in the Strategic and Directors' reports on pages 4 to 7. The directors have a reasonable expectation that the Company has adequate resources to remain in operational existence for the foreseeable future, therefore they continue to adopt the going concern basis in preparing the financial statements. In addition, note 13 to the financial statements includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

Due to the way the Notes are structured (please refer to note 11) the directors are satisfied that the Company will have sufficient resources to meet its obligations under the respective loan note series either through the realisation of cash flows from the investment security or through the exercise of the post enforcement call option and subsequent extinguishment of the debt.

The directors have assessed all factors which they believe affect the Company's going concern and have concluded that there is no reason to believe that a significant uncertainty exists that may cast doubt about the ability of the Company to continue as a going concern.

Significant accounting judgements and key sources of estimation and uncertainty

The preparation of financial statements in conformity with FRSs requires management 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 historical experience and various other factors that are believed to be reasonable under the circumstances, the results which form the basis of making judgements on carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates used in the financial statements.

A key estimate exercised for the preparation of the financial statements relates to the value of the investments portfolio accounted for and whether there is impairment to be recognised. The directors have considered what the future cash flows are most likely to be over the life of the loan and discounted this back at the loan's original effective interest rate.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both the current and future periods.

Financial instruments

The Company's financial instruments comprise of an investments portfolio, cash and liquid resources, interest-bearing borrowings and various receivables and payables that arise directly from its operations. The main purpose of these financial instruments is to acquire a beneficial interest in a PFI and other infrastructure investments portfolio. These financial instruments are classified in accordance with the principals of IAS 39 Financial Instruments: Recognition and Measurement as described below. In accordance with Section 11 of Financial Reporting Standard 102, the provisions of IAS 39 have been adopted in full with respect to the recognition and measurement of financial instruments.

Greenway Infrastructure Capital Plc
Notes to the financial statements (continued)
for the year ended 31 December 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital management

The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of equity attributable to equity holders of the issued capital and retained earnings as disclosed in the statement of changes in equity. There are no external regulatory capital requirements for the Company.

Impairment

Financial assets that are stated at amortised cost are reviewed at each statement of financial position 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 discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of impairment loss recognised on a financial asset carried at amortised cost 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.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and are initially measured at fair value and subsequently at amortised cost.

The Company has deposits in bank accounts held in the Company's name which meet the definition of cash and cash equivalents but their use is restricted by a detailed priority of payments set out in the programme transaction agreements. As the cash can only be used to meet certain specific liabilities and is not available to be used with discretion, it is viewed as restricted cash.

Interest-bearing loans

Interest-bearing loans are recognised initially at fair value less attributable transaction costs if borne by the Company. Subsequent to initial recognition, interest-bearing loans are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive income over the period of the borrowings on an effective interest basis.

Interest income and expense

Interest income and expense are accounted for on an accrual basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to that asset's or liability's net carrying amount.

Fees and commissions

Fees and commissions comprise commitment and brokerage fees arising on loans in the investment portfolio and are recognised when receivable and payable.

Value added tax

Value added tax is not recoverable by the company and is included with its related cost

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from net profit as reported 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 non taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as at the reporting date.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted as at the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Greenway Infrastructure Capital Plc
Notes to the financial statements (continued)
for the year ended 31 December 2017

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Segmental reporting

The principal asset of the company is the beneficial interest in the Portfolio originated in the United Kingdom which is funded by the Notes issued on the Channel Islands Stock Exchange. The directors do not consider it necessary to provide a further analysis of the results of the Company from those already disclosed in these financial statements.

Service level agreement

The Company has outsourced certain services by entering into service level agreements. Major outsourced services include corporate services, trustee, paying agency and transaction management services. The costs associated with outsourcing of activities are recorded per the terms agreed in individual agreements and are recognised as incurred.

2. INTEREST RECEIVABLE

	2017	2016
	£	£
Interest from Loan Assets	<u>2,251,750</u>	<u>2,301,195</u>

3. INTEREST PAYABLE

	2017	2016
	£	£
Interest on Loan Notes	<u>2,366,933</u>	<u>2,137,860</u>

4. OPERATING EXPENSES

	2017	2016
	£	£
	<u>68,644</u>	<u>48,449</u>

All other operating expenses, including auditor's remuneration for services to the Company, were borne by the Noteholders, as in the prior financial year. The Company had no employees during the year (2016: nil). None of the directors received any emoluments in respect of their services to the Company (2016: nil).

The audit fee applicable in respect of this Company's financial statements was £23k plus VAT (2016: £21,667 plus VAT).

No amounts were receivable by the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements (2016: nil).

5. IMPAIRMENT PROVISIONS

	2017	2016
	£	£
Release of impairment / (impairment provision)	<u>3,034,614</u>	<u>1,701,925</u>

Greenway Infrastructure Capital Plc
Notes to the financial statements (continued)
for the year ended 31 December 2017

6. TAXATION

The tax charge is made up as follows:

	2017	2016
	£	£
Current tax:		
UK Corporation tax charge for the year at an effective rate of 19.25% (2016:20%)	-	-
Over provision in respect of prior years	-	-
Total tax charge	<u>-</u>	<u>-</u>

For the financial year ended 31 December 2017, the effective UK corporation tax rate was 19.25%. Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. It has not been possible to quantify the full anticipated effect of the announced further rate reduction, although this will reduce the Company's future current tax charge accordingly.

	2017	2016
	£	£
(Loss)/ Profit before tax	2,919,431	1,865,260
Tax at the effective UK Corporation tax rate of 19.25% (2016: 20%)	-	373,052
Effect of utilisation of brought forward tax losses	-	(373,052)
Total tax charge	<u>-</u>	<u>-</u>

Balance sheet disclosures

	2017	2016
	£	£
Balance at 1 January	-	-
Tax payments in the year	-	-
Over provision in prior year	-	-
Current tax		
UK Corporation tax payable	-	-
Balance at 31 December	<u>-</u>	<u>-</u>

At 31 December 2016, the Company had unrecognised deferred tax assets in relation to tax losses and other excess management expenses of £1,532k and £nil respectively (2016: £7,698k and nil). No deferred tax asset has been recognised given uncertainty of their utilisation in the foreseeable future (2016: nil).

Greenway Infrastructure Capital Plc
Notes to the financial statements (continued)
for the year ended 31 December 2017

7. PFI AND OTHER INFRASTRUCTURE INVESTMENTS PORTFOLIO

This note provides information about the contractual terms of the Company's investments portfolio.

	2016			Redemptions £	2017
	Balance b/f £	Additions £	Capitalised interest £		Total £
Series 4 - ESS Repackaged Notes due 2031	4,859,945	-	-	(328,405)	4,531,540
Series 5 - RSP Repackaged Notes due 2035	22,404,502	-	-	(551,868)	21,852,635
Series 6 - THC (OJR) Repackaged Notes due 2032	8,091,374	-	-	(272,550)	7,818,824
Series 7 - CAP Repackaged Notes due 2032	17,800,369	-	-	(371,420)	17,428,949
Series 8 - MM Repackaged Notes due 2025	14,138,108	102,113	-	(697,257)	13,542,964
Series 9 - MMG Repackaged Notes due 2020	10,037,348	-	-	(10,037,348)	-
Series 10 - EH Repackaged Notes due 2028	11,132,853	-	-	(704,328)	10,428,524
Series 11 - BY Repackaged Notes due 2034	11,144,623	-	-	(196,853)	10,947,770
Series 13 - SS (SEL) Repackaged Notes due 2027	11,148,213	-	-	(559,737)	10,588,476
Series 14 - HM (UCLH) Repackaged Notes due 2035	21,062,410	-	-	(529,410)	20,533,000
Series 16 - WP Repackaged Notes due 2028	5,071,302	-	-	(321,821)	4,749,481
Series 17 - PH (H) Repackaged Notes due 2029	10,722,393	-	-	(697,791)	10,024,602
Series 18 - Repackaged Notes due 2033	10,585,656	-	-	(325,327)	10,260,329
Series 21 - ALC (SPC) Repackaged Notes due 2021	5,016,857	-	-	(1,283,310)	3,733,547
Series 23 - BY E. Repackaged Notes due 2035	5,237,390	-	-	(168,612)	5,068,778
Series 24 - BY E. Repackaged Notes due 2035	5,237,392	-	-	(168,612)	5,068,780
	<u>173,690,734</u>	<u>102,113</u>	-	<u>(17,214,651)</u>	<u>156,578,197</u>
Provision for impairment: Series 8	(6,541,850)				(5,484,592)
Provision for impairment: Series 9	(1,977,356)				-
Total	<u>165,171,528</u>				<u>151,093,605</u>

Maturity analysis of investments portfolio as at 31 December (net of provision)

	2017 £	2016 £
Current		
<1 year	-	-
Non-current		
1-5 years	3,733,547	15,054,205
> 5 years	<u>152,844,650</u>	<u>158,636,530</u>
	<u>156,578,197</u>	<u>173,690,735</u>

The investments portfolio represents the beneficial interest acquired in a portfolio of UK private finance initiative projects ("PFI") and other infrastructure investments from Mizuho Bank, Ltd. and Commerzbank AG, London Branch on 22 November 2006 (Series 2 to 22), on 3 July 2008 (Series 23) and on 8 January 2009 (Series 24).

Interest is calculated using the effective interest method.

The interest rate chargeable on the underlying loans of the investments portfolio are set by Mizuho Bank, Ltd. and Commerzbank AG, London Branch credit Committees' at their respective head office and depends on the credit risk, the security provided, the cost of Mizuho Bank, Ltd. and Commerzbank AG, London Branch's funding, the demand, other offers existing in the credit market and the term of the loan.

Greenway Infrastructure Capital Plc
Notes to the financial statements (continued)
for the year ended 31 December 2017

8. LOAN AND OTHER RECEIVABLES - INVESTMENTS PORTFOLIO

	2017	2016
	£	£
Investment portfolio - accrued interest	<u>681,504</u>	<u>390,368</u>

9. CASH AND CASH EQUIVALENTS

Withdrawals from the Company's bank account are restricted by the detailed priority of payments set out in the programme agreements.

	2017	2016
	£	£
Cash and cash equivalents	<u>864,287</u>	<u>1,023,410</u>

10. SHARE CAPITAL

	2017	2016
	£	£
Issued £1 ordinary share capital	<u>50,000</u>	<u>50,000</u>

There are 50,000 authorised ordinary shares of £1 each. This issued share capital comprises 49,998 £1 ordinary shares quarter paid up and 2 £1 ordinary shares fully paid up.

11. INTEREST-BEARING LOANS

This note provides information about the contractual terms of the Company's interest-bearing loans. For more information about the Company's exposure to interest rate risk, see note 13.

	2016				2017
	Balance b/f	Additions	Capitalised interest	Redemptions	Total
	£	£	£	£	£
Series 4 - ESS Repackaged Notes due 2031	4,859,945	-	-	(328,405)	4,531,540
Series 5 - RSP Repackaged Notes due 2035	22,404,502	-	-	(551,868)	21,852,635
Series 6 - THC (OJR) Repackaged Notes due 2032	8,091,374	-	-	(272,550)	7,818,824
Series 7 - CAP Repackaged Notes due 2032	17,800,369	-	-	(371,420)	17,428,949
Series 8 - MM Repackaged Notes due 2025	14,138,108	102,113	-	(697,257)	13,542,964
Series 9 - MMG Repackaged Notes due 2020	10,037,348	-	-	(10,037,348)	-
Series 10 - EH Repackaged Notes due 2028	11,132,853	-	-	(704,328)	10,428,524
Series 11 - BY Repackaged Notes due 2034	11,144,623	-	-	(196,853)	10,947,770
Series 13 - SS (SEL) Repackaged Notes due 2027	11,148,213	-	-	(559,737)	10,588,476
Series 14 - HM (UCLH) Repackaged Notes due 2035	21,062,410	-	-	(529,410)	20,533,000
Series 16 - WP Repackaged Notes due 2028	5,071,302	-	-	(321,821)	4,749,481
Series 17 - PH (H) Repackaged Notes due 2029	10,722,393	-	-	(697,791)	10,024,602
Series 18 - Repackaged Notes due 2033	10,585,656	-	-	(325,327)	10,260,329
Series 21 - ALC (SPC) Repackaged Notes due 2021	5,016,857	-	-	(1,283,310)	3,733,547
Series 23 - BY E. Repackaged Notes due 2035	5,237,390	-	-	(168,612)	5,068,778
Series 24 - BY E. Repackaged Notes due 2035	5,237,392	-	-	(168,612)	5,068,780
	<u>173,690,735</u>	<u>102,113</u>	<u>-</u>	<u>(17,214,651)</u>	<u>156,578,197</u>

Greenway Infrastructure Capital Plc
Notes to the financial statements (continued)
for the year ended 31 December 2017

11. INTEREST-BEARING LOANS (continued)

Interest-bearing loans and borrowings as at 31 December 2017 are repayable as follows:

	Total	Less than 1 year	Between 1 - 5 years	More than 5 years
	£	£	£	£
At 31 December 2017				
Liabilities				
Floating rate Loan notes	156,578,197	7,553,864	32,887,011	116,137,322
Interest payable	389,848	389,848	-	-
	<u>156,968,045</u>	<u>7,943,712</u>	<u>32,887,011</u>	<u>116,137,322</u>
At 31 December 2016				
Liabilities				
Floating rate Loan notes	173,690,735	7,160,899	33,033,257	133,496,579
Interest payable	382,912	382,912	-	-
	<u>174,073,647</u>	<u>7,543,811</u>	<u>33,033,257</u>	<u>133,496,579</u>

The loan notes are denominated in the following currencies:

	2017	2016
	£	£
Pounds Sterling	<u>156,578,197</u>	<u>173,690,734</u>

The Notes are secured by way of a floating charge over the assets of the Company including the Portfolio. The proceeds of the Notes were used by the company to acquire the Portfolio from Mizuho Bank, Ltd. and Commerzbank AG, London Branch in accordance with the terms of the programme documents.

The Notes interest rate is calculated as the interest rate payable on the corresponding investment less an amount of 0.01% per annum, as stated in the programme.

The Notes are issued in denominations of not less than £50,000 and in integral multiples of £1 and are issued in series.

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 the investments portfolio is based upon the amount of principal outstanding on the investments portfolio 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, the Notes of each series shall be redeemed at their 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 Note 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 company in respect of each Series is 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 company'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 company's rights and title in the accounts maintained by the company in respect of each Series, a floating charge over the company's property and assets, and additional foreign law security, if any, in favour of the Note Issuer Security Trustee.

In connection with the issuance of the Notes, the Note Trustee acting as agent on behalf of the Noteholders has granted a post-enforcement call option entitling Greenway Infrastructure Capital Holdings Limited (the "PECO Holder") to acquire from the Noteholders the Notes (plus accrued interest thereon). The PECO will have the effect of legally extinguishing any debt owed to the holders of the Notes (the "Noteholders") in the event that repayment becomes impossible for the Company. The Notes will then be derecognized. The PECO shall become exercisable on the date upon which the Note Trustee gives written notice to the PECO Holder that it has determined, in its sole opinion and discretion, that all amounts outstanding under the Notes have become due and payable and there is no reasonable likelihood of there being any further realisations (whether arising from an enforcement of the security of otherwise) which would be available to pay amounts outstanding under the Notes.

Greenway Infrastructure Capital Plc
Notes to the financial statements (continued)
for the year ended 31 December 2017

12. TRADE AND OTHER PAYABLES

	2017	2016
	£	£
Current liabilities		
Other payables	817,040	576,781

13. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise an investments portfolio, cash and liquid resources, interest-bearing borrowings and various receivables and payables that arise directly from its operations.

Currency risk

All of the Company's assets and liabilities are denominated in Pounds Sterling therefore there is no foreign currency risk.

Interest rate risk

Interest rate risk exists where assets and liabilities have interest rates set under a different basis or which reset at different times. The Company minimises its exposure to interest rate risk by ensuring that the interest rate characteristics of its assets and liabilities are similar.

Credit risk

Credit risk on the Portfolio arises where the individual loans granted under the Portfolio are secured on underlying PFI projects and other infrastructure investments. The most significant concentration of credit risk is considered to be the PFI and other infrastructure investments portfolio. At 31 December 2017, £156,578,197 (2016: £173,690,735) was outstanding, which is the gross loan amount (excluding provision). The maximum exposure to credit risk is represented by the carrying amount of the Portfolio. The directors consider that the Company's beneficial interest in the Portfolio granted as security will be sufficient to recover the full amount of the Portfolio. Mizuho Bank, Ltd. and Commerzbank AG, London Branch, from whom the investments portfolios have been purchased, undertake extensive investigations before issuing loans and before any asset can be added to the Portfolio certain eligibility criteria and sector criteria (including that the assets are operated and/or maintained with a view to providing an essential service to a Public Sector Entity) must be met. Mizuho Bank, Ltd. and Commerzbank AG, London Branch also gave initial warranties and representations in the transaction documentation regarding these assets, but do not provide on-going warranties with regard to the credit risk of the assets.

Liquidity risk

Liquidity risk is the risk of mismatches between maturities of assets and liabilities, which may result in the Company being unable to meet its obligations in a timely manner. Other than in the event of a shortfall in realisation from the investment portfolio (please refer to note 11), there is no short term liquidity risk for the Company due to the loan notes maturing at the same date as the underlying assets.

	Carrying amount	Gross nominal outflow	Less than 3 months	Between 3m to 12 months	Between 1 - 5 years	More than 5 years
2017	£	£	£	£	£	£
Loan principal	156,578,197	(156,578,197)	(2,887,010)	(4,666,854)	(32,887,011)	(116,137,322)
Loan interest payable	389,848	(389,848)	(389,848)	-	-	-
Unrecognised interest payable commitment	-	(33,412,899)	(864,381)	(1,483,237)	(12,818,808)	(17,144,533)
	<u>156,968,045</u>	<u>(190,380,943)</u>	<u>(4,141,239)</u>	<u>(6,150,091)</u>	<u>(45,705,819)</u>	<u>(133,281,855)</u>
2016	£	£	£	£	£	£
Loan principal	173,690,735	(173,690,735)	(2,887,010)	(4,273,889)	(33,033,257)	(133,496,579)
Loan interest payable	382,912	(382,912)	(382,912)	-	-	-
Unrecognised interest payable commitment	-	(35,821,784)	(843,470)	(1,565,416)	(13,072,953)	(20,339,946)
	<u>174,073,647</u>	<u>(209,895,431)</u>	<u>(4,113,392)</u>	<u>(5,839,305)</u>	<u>(46,106,210)</u>	<u>(153,836,525)</u>

The maturity analysis in the table above assumes no event of default during the life of the Notes. If an event of default is triggered then the Notes, under the term of the Offering Circular, may become due and payable. The key event of default triggers are if the payment of principal or interest is delayed for more than three or five days respectively.

The contractual principal repayments above have been adjusted to reflect expected loan refinancing.

Greenway Infrastructure Capital Plc
Notes to the financial statements (continued)
for the year ended 31 December 2017

13. FINANCIAL INSTRUMENTS (continued)

Market risk

Market risk embodies the potential for both loss and gains and includes currency risk, interest risk and price risk. Please refer to the relevant sections of this note dealing with currency risk and interest rate risk. Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The assets of the Company are not publicly traded and it is the intention to hold the assets until their maturity. Therefore the Company does not consider price risk to be a significant risk for the Company.

Repricing analysis

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their applicable interest rates and the future periods in which the interest rates are fixed.

	Interest rate Libor plus margin	Total	3 months or less	Between 3 to 6 months
2017	%	£	£	£
Assets				
Series 11	LIBOR (1 month)	10,947,770	10,947,770	-
Series 2, 4 to 8, 14 to 16 to 18, 21, 23 and 24	LIBOR (6 month)	145,630,427	-	145,630,427
Investment portfolio		<u>156,578,197</u>	<u>10,947,770</u>	<u>145,630,427</u>
Loan and other receivables		681,504	681,504	-
Cash and cash equivalents		864,287	864,287	-
		<u><u>158,123,988</u></u>	<u><u>12,493,561</u></u>	<u><u>145,630,427</u></u>
Liabilities				
Series 11	LIBOR (1 month)	10,947,770	10,947,770	-
Series 2, 4 to 8, 14 to 16 to 18, 21, 23 and 24	LIBOR (6 month)	145,630,427	-	145,630,427
Loan Notes		<u>156,578,197</u>	<u>10,947,770</u>	<u>145,630,427</u>
Interest payable		389,848	-	-
		<u><u>156,968,045</u></u>	<u><u>10,947,770</u></u>	<u><u>145,630,427</u></u>
2016				
	Interest rate Libor plus margin	Total	3 months or less	Between 3 to 6 months
2016	%	£	£	£
Assets				
Series 11	LIBOR (1 month)	11,144,623	11,144,623	-
Series 2, 4 to 14, 16 to 18, 21, 23 and 24	LIBOR (6 month)	162,546,112	-	162,546,112
Investment portfolio		<u>173,690,735</u>	<u>11,144,623</u>	<u>162,546,112</u>
Loan and other receivables		390,368	390,368	-
Cash and cash equivalents		1,023,410	1,023,410	-
		<u><u>175,104,513</u></u>	<u><u>12,558,401</u></u>	<u><u>162,546,112</u></u>
Liabilities				
Series 11	LIBOR (1 month)	11,144,623	11,144,623	-
Series 2, 4 to 14, 16 to 18, 21, 23 and 24	LIBOR (6 month)	162,546,112	-	162,546,112
Loan Notes		<u>173,690,735</u>	<u>11,144,623</u>	<u>162,546,112</u>
Interest payable		382,912	382,912	-
		<u><u>174,073,647</u></u>	<u><u>11,527,535</u></u>	<u><u>162,546,112</u></u>

The above LIBOR basis represents the applicable basis applied to the series' main loan facilities. The margins applied vary by series. The average margin over LIBOR at the financial year end is 0.85% (2016: 0.94%). The loan contracts allow for a change in LIBOR rates and margins used during the lifetime of the loan.

Greenway Infrastructure Capital Plc
Notes to the financial statements (continued)
for the year ended 31 December 2017

13. FINANCIAL INSTRUMENTS (continued)

Repricing analysis (continued)

The following table illustrates the range of applicable margins by series until maturity.

	Fixed margin	Variable margin	
	%	From %	To %
Series 4 due 2031		0.89	3.49
Series 5 due 2035		0.89	1.49
Series 6 due 2032		0.89	0.99
Series 7 due 2032		0.89	0.99
Series 8 due 2025	1.99		
Series 10 due 2028	0.89		
Series 11 due 2034		0.89	1.015
Series 13 due 2027		0.79	0.84
Series 14 due 2035		0.89	3.24
Series 16 due 2028		0.84	1.29
Series 17 due 2029		0.7	0.94
Series 18 due 2033		0.89	1.04
Series 21 due 2031		0.84	0.94
Series 23 due 2035		0.79	0.99
Series 24 due 2035		0.79	0.99

The fair values of all assets and liabilities are equal to book value except for the investment portfolio and interest-bearing loans. Individual investments and loans are fair valued at between 47.93% and 98.94% (2016: between 47.38% and 98.82%) of their book value, with the whole portfolio fair value being £140.4m (2016: £153.2m).

Estimation of fair values

The following comments summarise the main methods and assumptions used in estimating the fair value of financial instruments that are reflected in the table above.

The fair value of the investments portfolio has been calculated using a discounted cash flow analysis using market rates applicable at year end. For other receivables and other payables, no calculation of fair value is prepared as their carrying amount is viewed as a reasonable approximation of fair value.

14. RELATED PARTY TRANSACTIONS

The Company is a special purpose entity managed by its Board of Directors, which comprises of three directors: TMF Corporate Directors Limited, Joint Corporate Services Limited and Stephen William Spencer Norton. The fees payable to these directors for their services for the year ended on 31 December 2017 were nil (2016: nil). The paid up share capital is held on deposit with TMF Goba Services (UK) Limited, the parent company of the corporate directors, TMF Corporate Directors Limited and Joint Corporate Services Limited, and of the trustee TMF Corporate Services Limited. The total fees charged by TMF Global Services (UK) Limited during the year, in connection with corporate services was £25,717 plus VAT (2016: £30,460 plus VAT). These expenses were borne by the Noteholders.

15. ULTIMATE CONTROLLING PARTY

Greenway Infrastructure Capital Plc is a company registered in England and Wales. Greenway Infrastructure Capital Holdings Limited holds 49,999 shares in the Company. TMF Corporate Services Limited holds one share as nominee for Greenway Infrastructure Capital Holdings Limited. TMF Corporate Services Limited holds the entire share capital of Greenway Infrastructure Capital Holdings Limited as trustee for the Greenway Infrastructure Capital Holdings Charitable Trust, a trust established for charitable purposes.

Commerzbank AG, a company incorporated in Germany, is deemed to be the entity which retains the risks and rewards of ownership of the Company by virtue of significant influence, for consolidation purposes, Commerzbank AG is therefore considered the ultimate parent undertaking of Greenway Infrastructure Capital Plc.

The smallest and largest group in which the results of the Company are consolidated is that headed by Commerzbank AG, a company incorporated in Germany under German law. Financial statements of Commerzbank AG are available from Commerzbank AG, Investor Relations, Kaiserplatz, D-60261 Frankfurt am Main, Germany.

16. COMMITMENTS AND CONTINGENT LIABILITIES

There are no commitments and contingencies as at 31 December 2017 (2016: nil).

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Notes to the financial statements (continued)
for the year ended 31 December 2017

17. SUBSEQUENT EVENTS

The series 8 loan was sold on 25 May 2018 for a total consideration of £8,058,372. The level of impairment associated with this loan has been adjusted to reflect this disposal value as at the reporting date.

18. TRANSITION TO FRS 102

Statement of financial position as at 31 December 2016

	As originally reported £	As restated £
Non-current assets		
Investment portfolio	158,010,630	158,010,630
Current assets		
Investment portfolio	7,160,899	7,160,899
Loan and other receivables - accrued interest	390,368	390,368
Other receivables	50,000	50,000
Cash and cash equivalents	1,023,410	1,023,410
	<u>8,624,677</u>	<u>8,624,677</u>
Total assets	<u>166,635,307</u>	<u>166,635,307</u>
EQUITY AND LIABILITIES		
Non-current liabilities		
Interest bearing loans	166,529,835	166,529,835
Current liabilities		
Interest bearing loans	7,160,899	7,160,899
Interest bearing loans - accrued interest	382,912	382,912
Trade and other payables	576,781	576,781
	<u>8,120,592</u>	<u>8,120,592</u>
Total liabilities	<u>174,650,427</u>	<u>174,650,427</u>
Equity		
Share capital	50,000	50,000
Accumulated losses	(8,065,120)	(8,065,120)
Total equity attributed to equity owners of the company	<u>(8,015,120)</u>	<u>(8,015,120)</u>
Total equity and liabilities	<u><u>166,635,307</u></u>	<u><u>166,635,307</u></u>

There are no re-measurement or reclassification adjustments shown in the above table during the transition from IFRS to FRS 102.

Greenway Infrastructure Capital Plc
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18. TRANSITION TO FRS 102 (continued)

Statement of financial position as at 31 December 2015

	As originally reported	As restated
	£	£
Non-current assets		
Investment portfolio	162,799,393	162,799,393
Current assets		
Investment portfolio	8,255,070	8,255,070
Loan and other receivables - accrued interest	742,812	742,812
Other receivables	50,000	50,000
Cash and cash equivalents	1,894,753	1,894,753
	<u>10,942,635</u>	<u>10,942,635</u>
Total assets	<u>173,742,028</u>	<u>173,742,028</u>
EQUITY AND LIABILITIES		
Non-current liabilities		
Interest bearing loans	173,020,523	173,020,523
Current liabilities		
Interest bearing loans	8,255,070	8,255,070
Interest bearing loans - accrued interest	1,068,514	1,068,514
Trade and other payables	1,278,301	1,278,301
	<u>10,601,885</u>	<u>10,601,885</u>
Total liabilities	<u>183,622,408</u>	<u>183,622,408</u>
Equity		
Share capital	50,000	50,000
Accumulated losses	(9,930,380)	(9,930,380)
Total equity attributed to equity owners of the company	<u>(9,880,380)</u>	<u>(9,880,380)</u>
Total equity and liabilities	<u>173,742,028</u>	<u>173,742,028</u>

There are no re-measurement or reclassification adjustments shown in the above table during the transition from IFRS to FRS 102.

Statement of comprehensive income for the year ended 31 December 2016

	As originally reported	As restated
	£	£
Interest receivable	2,301,195	2,301,195
Interest payable	(2,137,860)	(2,137,860)
Net interest income	<u>163,335</u>	<u>163,335</u>
Fees and commissions receivable	48,449	48,449
Operating expenses	(48,449)	(48,449)
Release of impairment provision	1,701,925	1,701,925
Profit before taxation	<u>1,865,260</u>	<u>1,865,260</u>
Taxation	-	-
Profit after taxation	<u>1,865,260</u>	<u>1,865,260</u>
Total comprehensive income for the year attributable to equity holders of the company	<u>1,865,260</u>	<u>1,865,260</u>

There are no re-measurement or reclassification adjustments shown in the above table during the transition from IFRS to FRS 102.