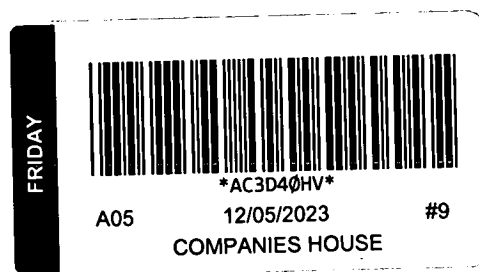


**GLIL INFRASTRUCTURE LLP**  
**(a limited liability partnership)**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2022**

**Registered number: OC399502**

**PRIVATE AND CONFIDENTIAL**



**GLIL INFRASTRUCTURE LLP**  
**Annual Report and Audited Financial Statements**  
**For the year ended 31 December 2022**

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**GLIL INFRASTRUCTURE LLP**  
**Annual Report and Audited Financial Statements**  
**For the year ended 31 December 2022**

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**Management and Administration**

**Designated Members**

Tameside Metropolitan Borough Council as Administering  
Authority for the Greater Manchester Pension Fund ("GMPF")  
Wirral Metropolitan Borough Council as Administering  
Authority for Merseyside Pension Fund ("MPF")  
City of Bradford Metropolitan District Council as Administering  
Authority for West Yorkshire Pension Fund ("WYPF")  
LPPI Infrastructure Investments LP ("LPPI Infrastructure")

**Other Member (Class A)**

Nest Corporation acting in its capacity as Trustee of the National  
Employment Savings Trust Scheme ("NEST")

**Alternative Investment Fund Manager ("AIFM")**

Local Pensions Partnership Investments Ltd ("LPP")  
First Floor  
1 Finsbury Avenue  
London  
United Kingdom  
EC2M 2PF

**Administrator**

BNY Mellon Fund Services (Ireland) Designated  
Activity Company  
One Dockland Central  
Guild Street  
IFSC  
Dublin 1  
Ireland

**Registered Office of the Partnership**

First Floor  
1 Finsbury Avenue  
London  
United Kingdom  
EC2M 2PF

**Independent Auditors**

Grant Thornton UK LLP  
30 Finsbury Square  
London  
United Kingdom  
EC2A 1AG

**Depositary**

The Bank of New York Mellon  
(International) Limited  
160 Queen Victoria Street  
London  
United Kingdom  
EC4V 4LA

**GLIL INFRASTRUCTURE LLP**  
**Annual Report and Audited Financial Statements**  
**For the year ended 31 December 2022**

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**Annual Report of the Members**

The Designated Members are pleased to present their annual report together with the audited financial statements of GLIL Infrastructure LLP (the "Partnership") for the year ended 31 December 2022.

The Partnership was incorporated as a limited liability partnership under the UK Limited Liability Partnerships Act 2000 (the "Act") on 21 April 2015, and was established by a Limited Liability Partnership Agreement (the "Original LLPA") dated 23 April 2015 under the name GMPF & LPFA Infrastructure LLP. The initial members were Tameside Metropolitan Borough Council as administering authority for the Greater Manchester Pension Fund ("GMPF") and London Pensions Fund Authority ("LPFA"), (together, the "Initial Members").

On 1 December 2016, the Initial Members agreed to amend the Original LLPA through the execution of an amended and restated limited liability partnership agreement (the "First Amended LLPA") and admitted Lancashire County Council as Administering Authority of the Lancashire County Pension Fund ("LCPF"), Wirral Council as administering authority for Merseyside Pension Fund ("MPF") and City of Bradford Metropolitan District Council as administering authority for West Yorkshire Pension Fund ("WYPF") as Members of the Partnership (together with the Initial Members, the "Founding Members"). On the adoption of the First Amended LLPA, the name of the Partnership was changed to GLIL Infrastructure LLP.

On 1 October 2017, LPFA and LCPF, pursuant to the LGPS Pooling Initiative, contributed their interests in the Partnership to LPPI Infrastructure Investments LP ("LPPI Infrastructure") and accordingly LPPI Infrastructure assumed the rights and obligations of LPFA and LCPF under the First Amended LLPA (Founding Members will therefore be construed accordingly).

On 31 March 2018, the Founding Members amended and restated the First Amended LLPA (the "Second Amended LLPA"), and the Partnership was categorised as an Alternative Investment Fund ("AIF"). The LLP, acting by the Executive Committee, appointed Local Pensions Partnership Investments Ltd ("LPPI") as the Alternative Investment Fund Manager ("AIFM") to provide portfolio management and risk management services on a discretionary basis, in relation to the Partnership's investment portfolio pursuant to the terms of the Management Agreement.

The AIFM is authorised and regulated by the United Kingdom Financial Conduct Authority (the "FCA"). The AIFM's permitted activities (as defined in the FCA Rules) include managing an unauthorised AIF such as the Partnership. LPPI also acts as the manager to the Partnership within the meaning of the Alternative Investment Fund Managers Directive ("AIFMD").

With effect from 1 April 2018, the Partnership converted into a unitised partnership, as per the Second Amended LLPA. The Partnership originally issued a single class of unit (Class X) to the Founding Members, and during 2022, the Partnership issued Class A units to Nest Corporation acting in its capacity as Trustee of the National Employment Savings Trust Scheme ("NEST"). All GLIL Members holding units have exposure to the full portfolio of the Partnership assets.

The Members are responsible for the management of the Partnership and the conduct of its business. The Founding Members constituted an Executive Committee for the purpose of managing the Partnership. The Executive Committee consists of a representative from each of the Designated Members (i.e. Class X Members) of the Partnership and the Chief Operating Officer.

On 29 April, 2021, the Founding Members and the Partnership amended and restated the Second Amended LLPA (the "Amended LLPA"), in order to make minor clarifications around the operation of the Advisory Committee and certain amendments to reflect recent changes to the UK regulatory environment.

**Members**

GMPF, MPF, WYPF, and LPPI Infrastructure are Designated Members of the Partnership. NEST joined the Partnership on 1 April 2021 as a Class A Member. NEST was not issued units in the Partnership until 31 January 2022 when their first capital commitment was drawn for the funding of an investment acquisition.

**GLIL INFRASTRUCTURE LLP**  
**Annual Report and Audited Financial Statements**  
**For the year ended 31 December 2022**

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**Annual Report of the Members (continued)**

**Purpose**

The purpose of the Partnership is to permit efficient collaboration between aligned and likeminded investors in joint investment into infrastructure opportunities. Infrastructure assets are the facilities and structures needed for the functioning of communities and to support economic development.

The investment objective of the Partnership is to gain cost effective, diversified exposure to infrastructure assets located predominantly in the United Kingdom. Maximum exposure to a single investment is 20% of the higher of Net Asset Value ("NAV") or total commitments, with no more than 25% of the higher of NAV or total commitments permitted to be invested outside of the United Kingdom.

The Partnership will seek to generate a satisfactory risk-adjusted return, improve diversification within the infrastructure portfolio of its members, provide predictable cash-flows and indirectly hedge against inflation.

**Members' Capital and Interests**

Details of changes in Members' capital in the years ended 31 December 2022 and 31 December 2021 are set out on page 13.

Net income, net income losses, capital gains and capital losses of the Partnership in respect of each accounting period are allocated among the Members in relation to their units held. Net income of the Partnership is distributed as soon as practicable after the relevant amounts have been received in cash by the Partnership or at such other times subject to the cash requirements of the Partnership.

Capital proceeds shall be distributed as soon as practicable after the relevant amounts have been received in cash by the Partnership, or at such other times subject to the cash requirements of the Partnership.

**Auditor**

Grant Thornton UK LLP is the independent external auditor of the Partnership.

**Members' Responsibilities**

Under the Amended LLPA, the Members are responsible for preparing the annual report and audited financial statements. The Members are responsible for preparing the financial statements in accordance with the basis of preparation and accounting policies stated in Note 2 to the financial statements. The Members must not approve the financial statements unless they are satisfied that they have been properly prepared, in all material respects, in accordance with the basis of preparation and accounting policies. In preparing these statements, the Members have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and accounting estimates that are reasonable and prudent;
- stated the basis of preparation and accounting policies applied;
- prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**GLIL INFRASTRUCTURE LLP**  
**Annual Report and Audited Financial Statements**  
**For the year ended 31 December 2022**

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**Annual Report of the Members (continued)**

**Members' Responsibilities (continued)**

The Members confirm that:

- so far as each Member of the Partnership is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- the Members of the Partnership have taken all the steps that they ought to have taken as Members in order to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

The Members are required to act in the best interests of the Partnership and to perform its obligations under the Amended LLPA. The Members confirm that the financial statements comply with the above requirements. Other duties of the Members are detailed in the Amended LLPA.

The Members have considered the impact of the conflict between Russia and Ukraine and do not anticipate any material impact to the Partnership's investment activities, valuations of investments, or to year end financial statements as at 31 December 2022.

**Certification Regarding Compliance with the Partnership Agreement**

The Members hereby confirm:

- that the annual report and financial statements of the Partnership fairly present in all material respects the financial condition of the Partnership for the period presented;
- that the operation of the Partnership has, during the accounting period covered by such annual audited financial statements, been in compliance with the terms and conditions of the Amended LLPA and that the Members have no knowledge of the existence of any material breach of the Amended LLPA; and
- distributions by the Partnership to the Members for that accounting period have been made in accordance with the Amended LLPA.

**Results**

The results for the year are shown in the Statement of Comprehensive Income on page 12.

This report was approved by the Members on 31 March 2023 and signed on their behalf by:



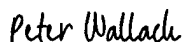
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LPPI Infrastructure  
Designated Member



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GMPF  
Designated Member



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MPF  
Designated Member



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WYPF  
Designated Member

**GLIL INFRASTRUCTURE LLP -  
Annual Report and Audited Financial Statements  
For the year ended 31 December 2022**

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**Alternative Investment Fund Manager's Report**

**Overview of investment activities and portfolio during the year**

At 1 January 2022, the Partnership comprised of a total of twelve investments with a combined fair value of £1,852,295,692. Two further positions were contributed during the year ended 31 December 2022, and two position were closed, leaving the total number of investments as twelve as at 31 December 2022.

During the year ending 31 December 2022, the overall capital called by underlying managers totalled £203,205,527. Additional expenditure on fixed asset investments and debt investments amounted to £467,688,985 and £110,018,622 respectively. Over the same period distributions totalling £175,533,574 related to fixed asset investments, £14,734,541 relating to debt investments and £26,037,129 related to subsidiaries investment were received by the Partnership.

As at 31 December 2022, the combined fair value of all investments held by the Partnership was £2,652,817,476.

**Overview of performance over the year**

The Partnership's performance showed a one year rolling forward internal rate of return of 14.08% as at 31 December 2022.

**Local Pensions Partnership Investments Ltd**

31 March 2023

**GLIL INFRASTRUCTURE LLP**  
**Annual Report and Audited Financial Statements**  
**For the year ended 31 December 2022**

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**Independent Auditor's Report to the Members of GLIL Infrastructure LLP**

**Opinion**

We have audited the financial statements of GLIL Infrastructure LLP (the 'limited liability partnership') for the year ended 31 December 2022, which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Net Assets Attributable to Members' Capital and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the limited liability partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the limited liability partnership to cease to continue as a going concern.

In our evaluation of the members' conclusions, we considered the inherent risks associated with the limited liability partnership's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the members and the related disclosures and analysed how those risks might affect the limited liability partnership's financial resources or ability to continue operations over the going concern period.

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

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

The responsibilities of the members with respect to going concern are described in the 'Responsibilities of members for the financial statements' section of this report.



**GLIL INFRASTRUCTURE LLP**  
**Annual Report and Audited Financial Statements**  
**For the year ended 31 December 2022**

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**Independent Auditor's Report to the Members of GLIL Infrastructure LLP (continued)**

**Other information**

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the limited liability partnership's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships' regime.

**Responsibilities of members for the financial statements**

As explained more fully in the members' responsibilities statement set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**GLIL INFRASTRUCTURE LLP**  
**Annual Report and Audited Financial Statements**  
**For the year ended 31 December 2022**

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**Independent Auditor's Report to the Members of GLIL Infrastructure LLP (continued)**

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the limited liability partnership and determined that the most significant are those that relate to the reporting frameworks (FRS 102, Companies Act 2006, Partnership (Accounts) Regulations 2008 and the Consultative Committee of Accountancy Bodies (CCAB) Limited Liability Partnerships (LLP) Statement of Recommended Practice (SORP) in addition to the relevant tax legislation in place for limited liability partnerships.
- We assessed the susceptibility of the limited liability partnership's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included checking completeness of journal entries and identifying and testing journal entries, in particular manual journal entries processed at the year-end for financial statements preparation. We also reviewed the financial statements disclosures and the corresponding supporting documentation.
- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on material manual journals, including those with unusual account combinations and those that were considered higher risk given the engagement team's understanding of the limited liability partnership;
  - utilising valuation specialists to gain comfort over the valuation of unlisted investments;
  - challenging assumptions and judgements made by management in its significant accounting estimates; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures.

In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the industry in which the client operates
  - understanding of the legal and regulatory requirements specific to the limited liability partnership including:
    - (a) the provisions of the applicable legislation
    - (b) the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
    - (c) the applicable statutory provisions

**GLIL INFRASTRUCTURE LLP**  
**Annual Report and Audited Financial Statements**  
**For the year ended 31 December 2022**

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**Independent Auditor's Report to the Members of GLIL Infrastructure LLP (continued)**

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)**

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. We corroborated the results of our enquiries to relevant supporting documentation.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the limited liability partnership's operations, including the nature of its revenue and its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement
  - the applicable statutory provisions
  - the limited liability partnership's control environment, including the policies and procedures implemented to comply with the requirements of FRS 102, the adequacy of procedures for authorisation of transactions, internal review procedures over the limited liability partnership's compliance with regulatory requirements, the authority of, and procedures to ensure that possible breaches of requirements are appropriately investigated and reported

**Use of our report**

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

***Grant Thornton UK LLP***

Paul Flatley  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
31 March 2023


**GLIL INFRASTRUCTURE LLP**  
**Annual Report and Audited Financial Statements**  
**For the year ended 31 December 2022**

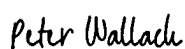
**Statement of Financial Position**  
**As at 31 December 2022**


	Note	31 December 2022 £	31 December 2021 £
<b>Fixed assets</b>			
Investments at fair value			
Investment in subsidiaries	6	1,556,139,101	1,108,550,511
Fixed asset investments	7	996,939,749	743,745,181
Debt investments	8	99,738,626	-
		<u>2,652,817,476</u>	<u>1,852,295,692</u>
<b>Current assets</b>			
Other receivables	12	29,363,888	37,146,174
Short term advance	13	-	2,500,000
Cash and cash equivalents	4	19,386,649	18,288,623
		<u>48,750,537</u>	<u>57,934,797</u>
<b>Current liabilities: amounts falling due within one year</b>			
Derivative liabilities	14	-	(2,769,777)
Other accrued expenses and liabilities	15	(7,952,905)	(4,582,512)
		<u>40,797,632</u>	<u>50,582,508</u>
<b>Net current assets</b>			
		<u>2,693,615,108</u>	<u>1,902,878,200</u>
<b>Net assets attributable to Members</b>			
Amounts due to Members		592,800,658	397,296,266
Members' other interests		2,100,814,450	1,505,581,934
		<u>2,693,615,108</u>	<u>1,902,878,200</u>
<b>Total Members' interests</b>			
Loan and other debts due to Members		592,800,658	397,296,266
Members' capital (classified as equity)		2,100,814,450	1,505,581,934
		<u>2,693,615,108</u>	<u>1,902,878,200</u>
NAV per unit	10	1.207657	1.169317


The financial statements on pages 11 to 27 have been prepared in accordance with the provisions applicable to entities subject to the Small Limited Liability Partnerships (Accounts) Regulations 2008 regime.

The financial statements were approved and authorised by the Members and were signed on their behalf on 31 March 2023.

  
 LPPI Infrastructure  
 Designated Member

  
 MPF  
 Designated Member

  
 GMPF  
 Designated Member

  
 WYPF  
 Designated Member

The accompanying notes are an integral part of the financial statements

**GLIL INFRASTRUCTURE LLP**  
**Annual Report and Audited Financial Statements**  
**For the year ended 31 December 2022**

**Statement of Comprehensive Income**  
**For the year ended 31 December 2022**

		<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Investment income	5	99,310,109	33,347,296
Other income	18	5,541,370	9,600,578
<b>Turnover</b>		<b>104,851,479</b>	<b>42,947,874</b>
Administrative expenses	17	(11,825,292)	(5,500,898)
Net fair value gain	9	221,715,301	235,977,373
Unrealised foreign exchange loss		(766,048)	-
<b>Operating profit</b>		<b>313,975,440</b>	<b>273,424,349</b>
Net fair value loss on forward foreign currency contracts	14	(1,961,896)	(2,769,777)
Interest (expense)/income		(17,052)	317
<b>Profit before taxation</b>		<b>311,996,492</b>	<b>270,654,889</b>
<b>Profit for the year before Members' remuneration</b>		<b>311,996,492</b>	<b>270,654,889</b>
Profit for the year before Members' remuneration		311,996,492	270,654,889
Members' remuneration charged as an expense		(311,996,492)	(270,654,889)
<b>Profit for the year available for discretionary division among Members</b>		<b>-</b>	<b>-</b>

All amounts relate to continuing operations.

The accompanying notes are an integral part of the financial statements

**GLIL INFRASTRUCTURE LLP**  
**Annual Report and Audited Financial Statements**  
**For the year ended 31 December 2022**

**Statement of Changes in Net Assets Attributable to Members' Capital**  
**For the year ended 31 December 2022**

	<b>Members' capital (classified as equity) £</b>	<b>Loans and other debts due to Members £</b>	<b>Total £</b>
<b>Balance as at 1 January 2022</b>	<b>1,505,581,934</b>	<b>397,296,266</b>	<b>1,902,878,200</b>
Members' remuneration charged as an expense	-	311,996,492	311,996,492
Members' interests after profit for the year	1,505,581,934	709,292,758	2,214,874,692
Amounts introduced by Members	736,724,487	-	736,724,487
Amounts repaid to Members	(141,491,971)	(116,492,100)	(257,984,071)
<b>Balance as at 31 December 2022</b>	<b>2,100,814,450</b>	<b>592,800,658</b>	<b>2,693,615,108</b>
<b>Balance as at 1 January 2021</b>	<b>1,082,231,571</b>	<b>159,433,268</b>	<b>1,241,664,839</b>
Members' remuneration charged as an expense	-	270,654,889	270,654,889
Members' interests after profit for the year	1,082,231,571	430,088,157	1,512,319,728
Amounts introduced by Members	445,703,150	-	445,703,150
Amounts repaid to Members	(22,352,787)	(32,791,891)	(55,144,678)
<b>Balance as at 31 December 2021</b>	<b>1,505,581,934</b>	<b>397,296,266</b>	<b>1,902,878,200</b>

The accompanying notes are an integral part of the financial statements

**GLIL INFRASTRUCTURE LLP**  
**Annual Report and Audited Financial Statements**  
**For the year ended 31 December 2022**

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**Notes to the Financial Statements**

**1. General Information**

The Partnership was incorporated as a limited liability partnership under the UK Limited Liability Partnerships Act 2000 (the "Act") on 21 April 2015, and was established by a Limited Liability Partnership Agreement (the "Original LLPA") dated 23 April 2015 under the name GMPF & LPFA Infrastructure LLP. The initial members were Tameside Metropolitan Borough Council as administering authority for the Greater Manchester Pension Fund ("GMPF") and London Pensions Fund Authority ("LPFA"), (together, the "Initial Members").

On 1 December 2016, the Initial Members agreed to amend the Original LLPA through the execution of an amended and restated limited liability partnership agreement (the "First Amended LLPA") and admitted Lancashire County Council as Administering Authority of the Lancashire County Pension Fund ("LCPF"), Wirral MBC as administering authority for Merseyside Pension Fund ("MPF") and City of Bradford Metropolitan District Council as administering authority for West Yorkshire Pension Fund ("WYPF") as Members of the Partnership (together with the Initial Members, the "Founding Members"). On the adoption of the First Amended LLPA, the name of the Partnership was changed to GLIL Infrastructure LLP.

On 1 October 2017, LPFA and LCPF, pursuant to the LGPS Pooling Initiative, contributed their interests in the Partnership to LPPI Infrastructure Investments LP ("LPPI Infrastructure") and accordingly LPPI Infrastructure assumed the rights and obligations of LPFA and LCPF under the First Amended LLPA (Founding Members will therefore be construed accordingly).

On 31 March 2018, the Founding Members amended and restated the First Amended LLPA (the "Second Amended LLPA"), and the Partnership was categorised as an Alternative Investment Fund ("AIF"). The LLP, acting by the Executive Committee, appointed Local Pensions Partnership Investments Ltd ("LPPI") as the Alternative Investment Fund Manager ("AIFM") to provide portfolio management and risk management services on a discretionary basis, in relation to the Partnership's investment portfolio pursuant to the terms of the Management Agreement.

The AIFM is authorised and regulated by the United Kingdom Financial Conduct Authority (the "FCA"). The AIFM's permitted activities (as defined in the FCA Rules) include managing an unauthorised AIF such as the Partnership. LPPI also acts as the manager to the Partnership within the meaning of the Alternative Investment Fund Managers Directive ("AIFMD").

With effect from 1 April 2018, the Partnership converted into a unitised partnership, as per the Second Amended LLPA. The Partnership originally issued a single class of unit (Class X) to the Founding Members, and during 2022, the Partnership issued Class A units to Nest Corporation acting in its capacity as Trustee of the National Employment Savings Trust Scheme ("NEST"). All GLIL Members holding units have exposure to the full portfolio of the Partnership assets.

The Members are responsible for the management of the Partnership and the conduct of its business. The Founding Members constituted an Executive Committee for the purpose of managing the Partnership. The Executive Committee consists of a representative from each of the Designated Members (i.e. Class X Members) of the Partnership and the Chief Operating Officer.

On 29 April, 2021, the Founding Members and the Partnership amended and restated the Second Amended LLPA (the "Amended LLPA"), in order to make minor clarifications around the operation of the Advisory Committee and certain amendments to reflect recent changes to the UK regulatory environment.

**2. Significant Accounting Policies**

The principal accounting policies applied in the preparation of these financial statements are set out overleaf. These policies have been consistently applied in the year under review, unless otherwise stated.

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

**2. Significant Accounting Policies (continued)**

**Basis of preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (Section 1A Small Entities) ("FRS 102"), the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships". The financial statements have been prepared on a going concern basis and historical cost convention as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss. All references to net assets throughout the financial statements refer to net assets attributable to Members.

The financial statements are prepared in British Pound Sterling (£), which is the functional currency of the Partnership. All values are rounded to the nearest £.

Certain comparative figures have been restated. This has no impact on the overall net assets attributable to the Partnership.

**(a) Cash and cash equivalents**

Cash and cash equivalents may include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less.

**(b) Investment and interest income**

Investment income is measured at fair value of the consideration received or receivable and is recognised using the effective interest method.

The interest income recognised is the amount of interest earned on the bank balance during the year (net of withholding tax).

**(c) Dividend income**

Dividend income is measured at fair value of the consideration received or receivable.

**(d) Investment and other expenses**

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

**(e) Financial assets and liabilities at fair value through profit or loss**

*Classification*

Under Section 11 of FRS 102, entities have an accounting policy choice to either follow the provisions of Section 11 and 12 of the standard or apply the recognition and measurement provisions of IAS 39 and the disclosure requirements of Sections 11 and 12 of FRS 102. The Partnership has chosen to follow the provisions of Sections 11 and 12 of FRS 102.

*Measurement*

Investments are initially recorded at their transaction price. Subsequent to initial recognition, these investments are valued in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") guidelines, and in accordance with FRS 102 Section 11: Basic Financial Instruments and of Section 12: Other Financial Instruments Issues.



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

**2. Significant Accounting Policies (continued)**

**(e) Financial assets and liabilities at fair value through profit or loss (continued)**

*Measurement (continued)*

The Partnership's investments comprise of direct investments in companies that are not quoted in an active market and investments in limited partnerships or other entities, including subsidiaries, set up to invest in a wider range of investments, or to participate in a larger investment opportunity than would be feasible for an individual investor and to share the costs and benefits of such investments. For investments in limited partnerships and similar other entities, including subsidiaries, in line with the IPEV guidelines, the fair value estimate is based on the attributable proportion of the reported Net Asset Value ("NAV") of the unquoted investment derived from the fair value of the underlying investments. Valuation reports provided by the Manager of the underlying investments are used to calculate fair value where there is evidence that the fair value has been derived using fair value principles consistent with the Partnership's accounting policies.

The fair value of the Partnership's direct investments that are not quoted in an active market are determined by using valuation techniques, primarily the price of recent investments, discounted cash flows, comparative industry price earnings ratios or credit spreads adjusted for marketability and performance of the investment. Third party NAVs are used for fund based investments. The inputs in internal valuation models include observable data, such as credit spreads for comparable entities and interest yield curves, and unobservable data, such as estimates of appropriate illiquidity premia.

*Recognition/Derecognition*

Purchases and sales of investments are recognised on the trade date on which the Partnership commits to purchase or sell the asset. Investments are initially recognised at their transaction price plus transaction costs. Investments are recognised as financial assets held at fair value through profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

*Forward foreign currency contracts*

Forward currency contracts are recorded on the trade date and are valued at the applicable forward rate on the last business day of the reporting year. The difference between the fair value of the original contract amount and the fair value of the open forward currency contract position is reflected as unrealised appreciation or depreciation on open forward currency contracts in the Statement of Financial Position. Movement in the unrealised appreciation or depreciation is reflected as net fair value gain (loss) on forward foreign currency contracts in the Statement of Comprehensive Income.

*Basic Financial Assets and Liabilities*

Basic financial assets and liabilities are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at market rate of interest.

*Offsetting financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

**2. Significant Accounting Policies (continued)**

**(f) Critical accounting estimates and judgements**

The critical judgement to key estimates, and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities, relate to the valuation of the Partnership's direct investments. The direct investments are valued in line with accounting policy Note 2(e). Under the accounting policy the reported NAV methodology has been adopted in valuing the unquoted investments.

The preparation of financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the financial reporting date and the reported amounts of revenue and expenses during the year.

Critical accounting judgements and key sources of estimation uncertainty used in preparing the financial information are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. The resulting estimates will, by definition, seldom equal the related actual results.

**(g) Direct taxation**

All direct tax liabilities that may arise, on income or capital, are assessed on an individual basis on each of the Members and are borne independently by each of the Members that constitute the Partnership. Accordingly, no provision for direct taxation is made in these financial statements.

**(h) Foreign currencies**

The financial statements are prepared in British Pound Sterling (£), which is the functional currency of the Partnership, being the currency of the primary economic environment within which the Partnership operates. Monetary assets and liabilities that are denominated in foreign currencies have been translated into sterling at the rate of exchange prevailing at the reporting date. Investment transactions and Statement of Comprehensive Income items are translated at the rate prevailing at the date of transaction.

Exchange differences arising on investment realisations are recognised in the Statement of Comprehensive Income in the year that they are realised.

**(i) Members' accounts**

Members' accounts represent the capital value at year end.

**(j) Members' interest in assets of the Partnership**

The Members have an interest in every asset of the Partnership. All net income, net income losses, capital gains and capital losses of the Partnership shall be allocated between the Members in a manner that shall reflect the ratio in which proceeds derived from such net income, net income losses, capital gains or capital losses are, or would be, available for distribution.

**(k) Distributions**

Following the payment of and provision for any expenses or liabilities of the Partnership, the net income or capital proceeds available for distribution shall be distributed to the Members in accordance with the allocations pursuant to clause 13 of the Amended LLPA at such time as the Manager considers appropriate after the relevant amounts have been received by the Partnership.

Realised gains on investments arise on partial or full disposal of underlying funds or investments. Distributions received from underlying funds and investments are recorded as realised gains on financial assets held at fair value in the Statement of Comprehensive Income.

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

**2. Significant Accounting Policies (continued)**

**(l) Debtors**

Short-term debtors are measured at the transaction price, less any impairment.

**(m) Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**(n) Going concern**

The Members have a legal obligation, as defined in the Amended LLPA, to pay capital into the Partnership up to the level of their commitments. In addition to the making of investments, these committed amounts may be drawn, inter alia, for working capital purposes, for the repayment of Partnership borrowings or for any other expenses and liabilities of the Partnership including establishment expenses, ongoing expenses and program expenses.

The Members have a reasonable expectation, despite current uncertainties around macro-economic risks, and based on the level of undrawn commitments currently available to the Partnership, that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, it has adopted the going concern basis in preparing the financial statements.

***Potential implications of the macroeconomic climate on the Partnership***

The Members, together with their advisors, continue to closely monitor the ongoing impact of macro-economic risks, such as the conflict between Russia and Ukraine. The Partnership takes a proactive approach to portfolio management, which helps ensure that it is well positioned to mitigate any potential impact from this risk. Some specific measures have been adopted such as the continual monitoring of business continuity plans implemented by the Partnership, its administrators, and other relevant parties.

The Partnership's investment activities, valuations, and year-end financial statements as of 31 December 2022 are reflective of the fair value of the investments as of such date.

**3. Fees and Expenses**

The Partnership is responsible for all establishment expenses, ongoing expenses and program expenses reasonably and properly incurred in relation to the business of the Partnership, provided that the Partnership shall not be responsible for expenses recovered from bodies corporate or other entities in which the Partnership has made (or proposes to make) an investment. Partnership expenses may, at the discretion of the Manager, be amortised over a period of five years from the date on which they were incurred, for trading NAV purposes. In the Net Assets Attributable to Members (for financial reporting purposes) the set-up expenses, aborted deal costs and acquisition costs are expensed in full in the year in which they were incurred. Refer to Appendix 1 for further details.

If, and to the extent that, any establishment expenses or ongoing expenses for which the Partnership is responsible are disbursed by any Member or the Manager (including, in the case of the Manager, in contemplation of, but prior to, the establishment of the Partnership), the Partnership shall reimburse such establishment expenses or ongoing expenses to the Member or the Manager, as the case may be.

Any abort costs incurred during any accounting period will be a program expense of the Partnership and accordingly may be funded, at the discretion of the Manager, through a drawdown of contributions from the Members or through the available cash funds of the Partnership.

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

**3. Fees and Expenses (continued)**

Abort costs means all fees, costs and expenses (including any applicable tax and travel expenses at commercial rates) incurred in connection with any investment proposal pursued or contemplated by the Partnership which does not proceed to completion. Abort costs are expensed in full upon recognition to the Statement of Comprehensive Income in the Net Assets Attributable to Members (for financial reporting purposes). As noted in Appendix 1, abort costs are amortised over five years in the Net Assets Attributable to Members (for trading purposes).

*Administration fees*

BNY Mellon Fund Services (Ireland) Designated Activity Company is the administrator (the "Administrator") of the Partnership.

For the year ended 31 December 2022, administration fees of £277,508 (31 December 2021: £239,991) were incurred, of which £75,468 was payable to the Administrator as at 31 December 2022 (31 December 2021: £71,756).

*Depositary fees*

The Bank of New York Mellon (International) Limited is the depositary (the "Depositary") of the Partnership.

For the year ended 31 December 2022, depositary fees of £321,578 (31 December 2021: £247,832) were incurred, of which £70,631 was payable to the Depositary as at 31 December 2022 (31 December 2021: £58,982).

*Management fees*

In consideration for acting as the Manager of the Partnership, the Partnership shall pay to the Manager an annual fee (the "Management Fee") of such amount as shall be mutually agreed between the Executive Committee and the Manager from time to time and set out in the agreement between the Partnership and the Manager (the "Management Agreement").

The Management Fee shall accrue on a daily basis and shall be payable quarterly in advance on 1 January, 1 April, 1 July and 1 October.

For the year ended 31 December 2022, Management Fees of £838,183 (gross of VAT amounting to £136,696) (31 December 2021: £700,051) (gross of VAT amounting to £116,677) were incurred, of which £nil was payable to the Manager, as at 31 December 2022 (31 December 2021: £nil).

**4. Cash and Cash Equivalents**

At the year end, all amounts disclosed as cash and cash equivalents were held with the Depositary.

**5. Investment Income**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>£</b>	<b>£</b>
Investment income	21,348,937	17,099,821
Interest on loans to subsidiaries	25,089,610	16,247,475
Dividend investment income	52,871,562	-
	<u><b>99,310,109</b></u>	<u><b>33,347,296</b></u>

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

**6. Investment in Subsidiaries**

<b>31 December 2022</b>	<b>Equity Investment</b>	<b>Debt Investment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Opening cost	698,463,292	190,482,880	888,946,172
Net movement in cost	185,847,187	17,358,340	203,205,527
Distribution - return of capital	(3,786,565)	(22,250,564)	(26,037,129)
<b>Closing cost</b>	<b>880,523,914</b>	<b>185,590,656</b>	<b>1,066,114,570</b>
Cumulative fair value movement	485,496,524	4,528,007	490,024,531
<b>Total fair value</b>	<b>1,366,020,438</b>	<b>190,118,663</b>	<b>1,556,139,101</b>

<b>31 December 2021</b>			
Opening cost	436,152,371	165,211,691	601,364,062
Net movement in cost	262,310,921	59,704,104	322,015,025
Distribution - return of capital	-	(34,432,915)	(34,432,915)
<b>Closing cost</b>	<b>698,463,292</b>	<b>190,482,880</b>	<b>888,946,172</b>
Cumulative fair value movement	215,387,309	4,217,030	219,604,339
<b>Total fair value</b>	<b>913,850,601</b>	<b>194,699,910</b>	<b>1,108,550,511</b>

The investment in subsidiaries is in the form of equity investments and loans to the subsidiaries.

The investment in the subsidiaries has not been consolidated in the financial statements of the Partnership as both the Partnership and the subsidiaries qualify under the provisions of section 383 of the 2006 Companies Act and are therefore eligible for exemption from consolidation as per Section 9.3e of FRS102.

The table below sets out details of the subsidiaries held by the Partnership:

<b>Name of Subsidiary</b>	<b>Country of incorporation and principal place of business</b>	<b>Principal Activity</b>	<b>Proportion of ownership interests held by the partnership at year end</b>	
			<b>31 December 2022</b>	<b>31 December 2021</b>
GLIL Corporate Holdings Limited	United Kingdom	Holding Company for GLIL Infrastructure LLP	100%	100%
GLIL Corporate Holdings 2 Limited	United Kingdom	Holding Company for GLIL Infrastructure LLP	100%	100%
GLIL Renewable Holdings Limited	United Kingdom	Holding Company for GLIL Infrastructure LLP	100%	100%
GLIL Blue Comet Holdings Limited	United Kingdom	Holding Company for GLIL Infrastructure LLP	82%	82%
GLIL Corporate Holdings 3 Limited	United Kingdom	Holding Company for GLIL Infrastructure LLP	100%	100%
GLIL Storage 1 Limited	United Kingdom	Holding Company for GLIL Infrastructure LLP	100%	100%
GLIL Corporate Holdings 4 Limited*	United Kingdom	Holding Company for GLIL Infrastructure LLP	100%	n/a
GLIL Corporate Holdings 5 Limited*	United Kingdom	Holding Company for GLIL Infrastructure LLP	100%	n/a

\* As at 31 December 2022 these subsidiaries hold no underlying investments.

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

**7. Fixed Asset Investments**

	31 December 2022	31 December 2021
	£	£
Opening cost	575,699,402	471,380,533
Net movement in cost	467,688,985	105,975,635
Distribution - return of capital	(175,533,574)	(1,656,766)
<b>Closing cost</b>	<b>867,854,813</b>	<b>575,699,402</b>
Fair value movement	129,084,936	168,045,779
<b>Total fair value</b>	<b>996,939,749</b>	<b>743,745,181</b>

**8. Debt Investments**

	31 December 2022	31 December 2021
	£	£
Opening cost	-	-
Net movement in cost	110,018,622	-
Distribution - return of capital	(14,734,541)	-
<b>Closing cost</b>	<b>95,284,081</b>	-
Fair value movement	4,454,545	-
<b>Total fair value</b>	<b>99,738,626</b>	-

**9. Fair Value Movements**

	31 December 2022	31 December 2021
	£	£
Net fair value gain on investment in subsidiaries	270,420,192	162,520,234
Net fair value (loss)/gain on fixed asset investments	(38,960,843)	73,457,139
Net fair value gain on debt	4,454,545	-
Realised loss on investments	(14,198,593)	-
<b>Net fair value gain</b>	<b>221,715,301</b>	<b>235,977,373</b>

**10. Members' Capital**

**a) Subscriptions and commitments**

Each Member shall be required to advance contributions to the Partnership in such amounts as requested by the Manager up to an aggregate amount equal to its commitment.

Contributions shall be advanced by each Member in respect of its commitment in such tranches and on such dates as shall be determined by the Manager specified in a notice (a "Drawdown Notice") served by the Partnership on the Members at least ten business days prior to the date specified for the advance of that tranche (or: (i) where the Partnership is invested in an underlying fund investment which is making a capital call, five business days to the extent that such shorter notice period is required to ensure that the Partnership can meet its funding obligation in respect of the relevant underlying fund investment; and/or (ii) solely in respect of the first drawdown date (to the extent the relevant amount is to be contributed on or around the relevant Member's admission date), such shorter period as the Manager may reasonably determine) which, save in the case of a defaulting Member, shall be deemed to be the date on which the relevant contribution is made by the Member.

As at 31 December 2022, the committed capital of the Partnership was £3,625,000,000 (31 December 2021: £2,475,000,000) of which £2,324,197,514 (31 December 2021: £1,587,473,027) has been drawn from the Members, with undrawn commitments of £1,300,802,486 (31 December 2021: £887,526,973).

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

**10. Members' Capital (continued)**

**a) Subscriptions and commitments (continued)**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>£</b>	<b>£</b>
Members' Capital (inclusive of Loans and other debts due to Members)	2,693,615,108	1,902,878,200
No of units in issue	2,230,447,670	1,627,342,191
<b>NAV per unit</b>	<b>1.207657</b>	<b>1.169317</b>

**b) Issue of units**

With effect from 1 April 2018, the Partnership converted into a unitised Partnership per the Amended LLPA. The Partnership originally issued a single class of unit (Class X). During 2022, the Partnership also issued Class A units. All Members holding units have exposure to the full portfolio of the Partnership assets. All designated members of the Partnership as at 1 April 2018 were issued units in the Partnership by reference to the value of their interest in the Partnership at that date at an initial issue price of £1.00.

Thereafter, the value of the units in issue fluctuate to reflect the NAV of the Partnership. The NAV will be determined quarterly by the Manager on each valuation date, provided that the determination of the NAV as at each valuation date falling on 31 December will be undertaken (or verified) by the valuer (to the extent that a valuer is appointed in accordance with the valuation procedures). The NAV of the Partnership will be divided by the number of units then in issue to give the "NAV per unit".

When a Member funds a Drawdown Notice by making a contribution (whether in cash or via a contribution in specie in accordance with the Amended LLPA), it will be issued a number of units, with the number of units so issued being determined by dividing the monetary amount of the relevant contribution (whether in cash or in specie) by the most recently available NAV per unit (adjusted to take into account any distributions made to Members during the period between the date of the Drawdown Notice and the date of the most recently available NAV per unit). In the event that the NAV per unit has not been finally determined following a valuation date prior to the point at which the relevant contribution is made, the relevant units will be issued as soon as the relevant unit price is finally determined.

The movement in units in issue during the years ended 31 December 2022 and 31 December 2021 was as follows:

	<b>Year ended</b>	<b>Year ended</b>
	<b>31 December 2022</b>	<b>31 December 2021</b>
<b>Units in issue at start of the year</b>	1,627,342,191	1,201,445,205
Units contributed	603,105,479	425,896,986
<b>Units in issue at end of the year</b>	<b>2,230,447,670</b>	<b>1,627,342,191</b>

**c) Allocations of profit and loss**

Every Member has an interest in every asset of the Partnership and accordingly, the balance of net income, net income losses, capital gains and capital losses of the Partnership in respect of each accounting year are allocated among the Members in relation to their units held.

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

**10 Members' Capital (continued)**

**d) Distribution policy**

Net income received by the Partnership will be distributed to Members at such time or times as the Manager considers appropriate (which is expected to be quarterly but may, depending on the relevant cash-flows, be more frequently) pro rata to the aggregate number of units held by each Member as at the date of the relevant distribution.

Any capital proceeds received on the realisation of all or parts of an investment (and which are available for distribution) shall initially be allocated amongst the members pro rata to the aggregate number of units held by the relevant Member at such time. In addition, such capital proceeds shall be notionally allocated amongst the units held by each Member, by dividing the capital proceeds allocated to the relevant Member by the number of units held by such Member (the "Proceeds per Unit").

During the year ended 31 December 2022, the Partnership has made income distributions to the Members of £116,492,100 (31 December 2021: £32,791,891) and capital distributions of £141,491,971 (31 December 2021: £22,352,787)

**11. Auditor's Remuneration**

Auditor's remuneration for the external audit of the Partnership in respect of the year ended 31 December 2022 amounts to £35,750 (31 December 2021: £32,500) of which £25,025 (31 December 2021: £32,500) was payable at the year end.

**12. Other Receivables**

	31 December 2022	31 December 2021
	£	£
Income receivable	25,352,770	25,719,271
Receivable for investments sold	1,320,413	-
Other debtors	18,194	6,847
Due from related parties	2,672,511	11,420,056
	<u>29,363,888</u>	<u>37,146,174</u>

**13. Short Term Advance**

The Partnership (as lender) entered into a short term advance agreement whereby it provided Blazers Fuels Limited (the borrower) with a loan facility of £3,566,000 at an interest rate of 8% per annum (payable quarterly in arrears), which was repaid in full by the year end.

**14. Derivative Liabilities**

**Forward foreign currency contracts**

As at 31 December 2022, the Partnership had no exposure to open forward currency contracts.

As at 31 December 2021 the Partnership had open forward contracts with a net unrealised value loss of £2,769,777. The foreign exchange rate was fixed at signing to hold the value through to completion of an investment in GF Green Renewables Limited, a Euro denominated asset that the Partnership contracted to acquire an interest in 2022.



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

**15. Current liabilities: amounts falling due within one year**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>£</b>	<b>£</b>
Accruals	4,541,814	1,368,043
VAT accruals	3,411,091	3,214,469
	<u><b>7,952,905</b></u>	<u><b>4,582,512</b></u>

**16. Financial Instruments and Associated Risks**

**Risk management framework**

The LPPI Audit and Risk Committee (the “Committee”) oversees the operation of the Partnership’s risk management, compliance and internal controls to ensure that risks are appropriately identified and managed.

The Manager supports the Partnership in identifying, measuring and monitoring the risks in the Partnership and reporting these regularly to the Committee. The main risk areas supported by the Manager include operational risk, and investment risk.

**Operational risk**

The Manager has developed a risk register to monitor the Partnership’s strategic and operational risks. These include risks in relation to internal processes, people and systems, and external factors. The register is used to monitor the internal controls established, manage and mitigate the risks identified, assess the effectiveness of these controls together with any further actions required, and to quantify the potential impact following risk assessments. The register is updated on an ongoing basis and reviewed periodically at the Committee.

**Investment risk**

The Manager manages the Partnership’s investment risk through the regular review of its investment performance and risk reports and by holding quarterly investment exchanges with the Partnership to oversee any risks associated with the Partnership’s investment and funding strategies. The Manager advises on the Partnership’s policy portfolio, cash flow and liquidity requirements. Risk analytics may include performing market sensitivity analysis, scenario analysis, and stress testing based on factors relevant to the investments held.

**Financial risk management**

The Partnership is exposed to financial risk including (1) market risk such as, interest rate, currency and asset price risk, (2) credit risk, (3) liquidity risk through its investment activities and (4) regulatory and policy risk.

**1) Market risk**

Market risk is the potential loss in the value of investments over time.

**a) Interest Rate Risk**

Interest rate risk comes from the impact of interest rates on the size and present value of potential future cashflows. Interest rates are an input into the various valuation models used in assessing the fair value of investments, such as discounted cashflow models.

**b) Currency Risk**

Currency risk, commonly referred to as exchange-rate risk, arises from the change in price of one currency in relation to another.

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

**16. Financial Instruments and Associated Risks (continued)**

**Financial risk management (continued)**

**1) Market risk (continued)**

**c) Asset Price Risk**

Aside from interest rate and currency risk, there may be other factors that may impact the fair value of investments, whether these factors are specific to the individual investment, the type of investment or the market generally. These other factors are considered in the initial investment analysis as well as during ongoing monitoring of the investments.

As at 31 December 2022 and 31 December 2021, the overall market exposure of the Partnership's investments were as follows:

**31 December 2022**

<b>Cost</b>	<b>Fair Value</b>	<b>% Net Assets</b>
£2,029,253,464	£2,652,817,476	98.49%

**31 December 2021**

<b>Cost</b>	<b>Fair Value</b>	<b>% Net Assets</b>
£1,464,645,574	£1,852,295,692	97.34%

**2) Credit Risk**

Credit risk arises when the counterparty or issuer of an investment in the Partnership fails to discharge an obligation or commitment that it has entered into with the Partnership. This may occur if an investment entity defaults on its interest or principal payment obligations. To manage this risk, the Manager of the Partnership performs extensive initial and ongoing due diligence on the investments undertaken by the Partnership.

The Partnership is also exposed to credit risk through cash balances held with financial institutions, and the risk is managed by transacting with institutions with high credit ratings.

**3) Liquidity Risk**

Liquidity risk for the Partnership can arise from potentially having insufficient cash resources to meet its liabilities as and when they fall due. In addition, liquidity risk may arise if the Partnership is unable to find a willing buyer for assets it wishes to divest within a specified time-period to meet any redemption request. The Partnership manages its liquidity risk through "lock-in" periods, having long redemption notice periods and the ability to defer redemptions if there are insufficient cash resources.

**4) Regulatory and Policy Risk**

Regulatory risk refers to any legal policy that may affect the pricing environment and valuation relating to an underlying asset. For example, a pricing regime implemented on a utility may affect the underlying valuation, and hence poses a risk to investment.

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

**17. Administrative Expenses**

	31 December 2022	31 December 2021
	£	£
<b>Operating costs</b>		
Staff costs	1,726,463	1,716,844
LPPI Investment and risk management	838,183	700,051
Administration fees*	277,508	239,991
Legal and professional fees**	582,013	662,072
Monitoring fees	187,375	187,375
Depository fees	321,578	247,832
Non executive director fees	69,563	49,906
Audit fees	35,750	32,500
Other expenses***	872,767	792,122
<b>Total operating costs</b>	<b>4,911,200</b>	<b>4,628,693</b>
<b>Deal costs</b>		
Successful deal costs (current year)	1,636,276	3,381,237
Aborted deal costs (current year)****	5,277,816	(2,509,032)
<b>Total deal costs</b>	<b>6,914,092</b>	<b>872,205</b>
<b>Total costs</b>	<b>11,825,292</b>	<b>5,500,898</b>

\* Administration expenses consists of fund accounting, transfer agency, capital call monitoring fees and financial reporting fees.

\*\* Legal and professional fees consist primarily of legal fees, tax preparation fees, taxation fees and professional fees, VAT preparation fees, information technology costs, marketing and public relations expenses, sector consultancy project costs and training.

\*\*\* Other expenses consist primarily of insurance costs, travel expenses, membership fees and subscriptions, FCA fees, other asset management and valuation costs, strategic review costs and planned external Investment Committee members expenses.

\*\*\*\* Deal costs for GLIL Blue Comet Holdings Limited of £4,128,336 were included in the financial statements as aborted deal costs for the year ended 31 December 2020. It was agreed in the prior year that these costs were not an expense of the Partnership but rather an expense of the underlying subsidiary as successful deal costs and were therefore reversed in prior year financial statements.

**18. Other Income**

	31 December 2022	31 December 2021
	£	£
Members' recharge	5,493,037	9,553,331
Other income	48,333	47,247
	<b>5,541,370</b>	<b>9,600,578</b>

The Partnership entered into a service fee arrangement with its Members in 2016. Under this arrangement the partnership can recharge non-investment related costs to its Members.

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

**19. Staff Costs**

The entity currently has two employees. The costs are included as part of the staff costs in note 17.

**20. Related Party Disclosure**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

The investment in the subsidiaries have not been consolidated in the financial statements of the Partnership as both the Partnership and the subsidiaries qualify under the provisions of section 383 of the 2006 Companies Act and are therefore eligible for exemption from consolidation as per Section 9.3e of FRS102. Other related party transactions are disclosed elsewhere in these financial statements.

**21. Significant Events**

During the year ended 31 December 2022 the Partnership made significant further commitments:

- acquiring additional stakes in Semperian PPP Investment Partners Holding Limited.
- increased its capital contribution to GLIL Corporate Holdings 3 Limited which acquired a majority investment in GF Green Renewables Limited, the Irish holding vehicle which owns a portfolio of 11 operational onshore wind farms that provide around 11% of the Republic of Ireland's installed wind capacity.
- acquired, alongside Octopus Energy Generation's fund management team, a 12.5% stake in Hornsea One, the world's largest operational offshore wind farm.

During the year ended 31 December 2022, NEST was issued its first units in the Partnership as a Class A Member, after originally joining as a Member on 1 April 2021.

During the year ended 31 December 2022 the partnership sold its interests in both Iona Environmental Infrastructure 2 & Iona Environmental Infrastructure 3 LP's.

There were no other significant events during the year.

**22. Subsequent Events**

The Partnership made a commitment of £306 million in GLIL Corporate 4 Limited, which was used to acquire a 25% interest in the M6toll. This was agreed in 2022 but settled in early 2023.

There were no other subsequent events.

**23. Approval of Financial Statements**

The Members approved the financial statements on 31 March 2023.

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**Supplementary Information (Unaudited) Appendix 1 – Net Assets Attributable to Members**

**Net Assets Attributable to Members**

The Administrator may adjust the NAV herein for the purposes of determining the NAV of the Partnership on which calculations with respect to a Members' interest will be determined, and for the subscription and redemption of units.

In the Net Assets Attributable to Members (for trading purposes) the set-up expenses, abort costs and acquisition costs of the Partnership are amortised in the manner set out in the amended LLPA. Acquisition costs may be amortised over twenty years; establishment expenses, ongoing expenses, programme expenses and abort costs may be amortised over five years. This is an attempt to treat all Members fairly irrespective of when they subscribed for or redeemed their units. Further information can be found in the Amended LLPA.

In the Net Assets Attributable to Members (for financial reporting purposes) the above set-up expenses, aborted deal costs and acquisition costs are expensed in full in the year in which they were incurred.

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>£</b>	<b>£</b>
Net Assets Attributable to Members (for trading purposes)	<u>2,732,878,604</u>	<u>1,919,057,927</u>
Net Assets Attributable to Members (for financial reporting purposes)	<u>2,693,615,108</u>	<u>1,902,878,200</u>
Net Assets Attributable to Members (for trading purposes)	2,732,878,604	1,919,057,927
Adjustment for revaluation of subsidiaries	(25,529,289)	-
Adjustment for valuation of subsidiaries due to acquisition costs expensed	-	(8,007,419)
Aborted deal costs expensed	(7,589,180)	(3,247,806)
Successful deal costs expensed	<u>(6,145,027)</u>	<u>(4,924,502)</u>
<b>Net Assets Attributable to Members (for financial reporting purposes)</b>	<b><u>2,693,615,108</u></b>	<b><u>1,902,878,200</u></b>

Further details of aborted deal costs and successful deal costs are disclosed in Note 17. The full amounts disclosed in Note 17 for aborted deal costs and successful deal costs represent the write-off of any unamortised costs as at 31 December 2022 (as per the table above) plus any amortisation charged during the year.

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**Supplementary Information (Unaudited) Appendix 2 – Alternative Investment Fund Manager's (AIFM) Information**

**AIFM Directive Disclosure**

**Risk Management**

- There are no assets which are subject to special arrangements due to their illiquid nature;
- There were no new arrangements for managing the liquidity of the Partnership from those disclosed in the Investor Information Document; and
- Within the Partnership, there is no right of re-use of collateral or any guarantees granted under the leveraging arrangement.

<b>Leverage Ratio</b>	<b>Gross method</b>	<b>Commitment method</b>
Actual level	97%	100%
Maximum level	200%	140%

**Report on remuneration**

The below disclosures are made in respect of the remuneration policies of the Local Pensions Partnership Ltd ("LPP Group"), as they apply to the Manager. The disclosures are made in accordance with the Alternative Investment Fund Managers Directive (the "AIFMD"), the European Commission Delegated Regulation supplementing the AIFMD (the "Delegated Regulation") as transposed into UK law by the EU Withdrawal Act 2018 and the "Guidelines on sound remuneration policies under the AIFMD" issued by the European Securities and Markets Authority and the Financial Conduct Authority ("FCA") Handbook SYSC 19B: The AIFM Remuneration Code, and FUND 3.3.5 R.

The amount of the total remuneration awarded by the Manager to its staff which has been attributed to the Partnership in financial year ending 31 December 2022 was:

	<b>Number of Staff</b>	<b>Total Remuneration</b>		<b>Remuneration attributable to GLIL</b>	
		<b>Fixed</b>	<b>Variable</b>	<b>Fixed</b>	<b>Variable</b>
		£	£	£	£
Total	53	£4,645,610	£667,678	£1,711,174	£300,468

The amount of the aggregate remuneration awarded by the Manager, which has been attributed to the Partnership in financial year ending 31 December 2022, to its senior management and to members of its staff whose actions have a material impact on the risk profile of the Fund was:

	<b>Number of Staff</b>	<b>Total Remuneration</b>		<b>Remuneration attributable to GLIL</b>	
		<b>Fixed</b>	<b>Variable</b>	<b>Fixed</b>	<b>Variable</b>
		£	£	£	£
Material Risk Takers	16	£2,192,261	£465,125	£1,155,978	£224,343
Senior Management	5	-	-	-	-

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**Supplementary Information (Unaudited) Appendix 2 – Alternative Investment Fund Manager’s (AIFM) Information (continued)**

**Report on remuneration (continued)**

Certain members of the LPPI Management are not recompensed for services which have been attributed to the Scheme.

LPPI has in place a Remuneration Policy which addresses the requirements of the AIFM Remuneration Code outlined in SYSC19B of the FCA Handbook. This policy is adopted by the LPPI Board and overseen by the LPP Group Remuneration and Nomination Committee. The Remuneration Policy takes full account of strategic objectives of the LPP Group and the requirements of the shareholders. It aims to maintain a competitive package that will attract, motivate and retain individuals while allowing the overall strategy to be delivered. LPPI remuneration comprises fixed (salary and benefits) and variable pay, it is designed to avoid excessive or inappropriate risk taking. Receipt of variable pay is dependent upon the achievement of personal objectives which are aligned to LPPI strategic objectives. The remuneration of staff employed by the AIFM but providing services to GLIL is included in the remuneration disclosures above.

A proportion of the investment services are provided by individuals who are seconded from GLIL Members (Greater Manchester Pension Fund, Merseyside Pension Fund and West Yorkshire Pension Fund) to the AIFM. These individuals’ salaries are paid by the GLIL Members, and they are not remunerated by the AIFM, and neither are they related to the performance of GLIL. These individuals do not receive any variable remuneration.