A Global
Infrastructure
Company

BBGI SICAV S.A.

Registre de Commerce et des Sociétés Luxembourg: B163879

ANNUAL REPORT

for the year ended 31 December 2014

www.bb-gi.com

CAUTIONARY STATEMENT

Certain sections of this report, including the Company Overview, the Chairman's Statement and the Report of the Management Board (the **"Review Section"**) have been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Review Section may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "forecasts", "projects", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Management and Supervisory Boards concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and distribution policy of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Management and Supervisory Boards expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

In addition, the Review Section may include target figures for future financial periods. Any such figures are targets only and are not forecasts.

This report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters that are significant to BBGI SICAV S.A. and its subsidiaries when viewed as a whole.

Artist rendering: Mersey Gateway Bridge – view from Runcorn upon completion

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2014 FINANCIAL AND OPERATIONAL HIGHLIGHTS

- 3.57% increase in Net Asset Value on an investment basis ("Investment Basis NAV")[1] to £465.29 million as at 31 December 2014 (£449.25 million – 31 December 2013).
- Investment Basis NAV per share of 109.2 pence as at 31 December 2014 (105.6 pence – 31 December 2013) which represents an increase of 3.49%.
- 2014 interim dividend of 2.88 pence per share paid on 2 October 2014 and further dividend of 2.88 pence per share proposed for year ended 31 December 2014, giving total distributions of 5.76 pence per share for the year. This represents a 4.73% increase from the prior year.
- Total Shareholder Return ("TSR") in the calendar year 2014 was 10.79% whilst TSR from IPO in December 2011 to 31 December 2014 was 41.25%[2].
- Market capitalisation increased to £531.3 million at 31 December 2014, up 5.8% from £502.2 million at 31 December 2013. Shares continue to trade at premium to Investment Basis NAV, and stood at a premium of 14.2% as at 31 December 2014.
- Completed ten primary acquisitions as well as nine follow-on acquisitions with a total value of £120.4[3] million in 2014.
- Acquisitions completed during year include Company's first in the US, as well as further acquisitions in Australia, UK and mainland Europe to create a strong, diverse and global portfolio.
- Portfolio has increased from 26 projects with fair market value circa (c) £324.1 million at 31 December 2013 to 36 projects with fair market value c. £454.9 million at 31 December 2014.
- Portfolio performance and cash receipts slightly ahead of business plan and underlying financial models.
- Successful transition of Northern Territory Secure Facilities (Australia) and Mersey Care Mental Health Hospital (UK) from construction to operational status.
- Ongoing charges percentage decreased to 0.98% (1.11% – 31 December 2013) which we believe to be the lowest within the UK listed infrastructure sector.
- Average discount rate of 8.21% at 31 December 2014 compared with 8.39% at 31 December 2013.
- International Financial Reporting Standards ("IFRS") NAV of £466.3 million as at 31 December 2014 (£450.7 million – 31 December 2013).
- Net profit under IFRS basis of £39.1 million for year ended 31 December 2014 (£18.8 million – year ended 31 December 2013).
- Further broadening of share register by successful secondary placing in April 2014 of 37,188,000 ordinary shares previously owned by Bilfinger SE.
- Name changed to BBGI SICAV S.A. on 30 April 2014.
- Authorisation as internally managed alternative investment fund ("AIF") received from Luxembourg Regulator ("Commission de Surveillance du Secteur Financier" or "CSSF").

[1] Refer to p34, Financial Results for further detail on Investment Basis NAV

[2] Based on share price at 31 December 2014 and after adding back dividends paid during the period

[3] Total value on Investment Basis as also used throughout the annual report (excluding financial statements). Acquisition costs during the year under IFRS amounted to £117.6 million. Refer to p27, Valuation for further detail.

COMPANY OVERVIEW

KEY CHARACTERISTICS AS AT 31 DECEMBER 2014

The Company

BBGI SICAV S.A. **("BBGI", or the "Company" or, together with its consolidated subsidiaries, the "Group")**

Regulator

Commission de Surveillance du Secteur Financier ("CSSF")

Legal Form

An investment company incorporated in Luxembourg in the form of a public limited company *(société anonyme)* with variable share capital *(société d'investissement à capital variable*, or "SICAV") and regulated by the CSSF under Part II of Luxembourg Law of 17 December 2010 on undertakings for collective investments with an indefinite life. The Company qualifies as an alternative investment fund within the meaning of Article 1 (39) of the law of 12 July 2013 on alternative investment fund managers ("2013 Law") implementing Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and is authorised as an internal alternative investment fund manager in accordance with Chapter 2 of the 2013 Law.

Stock Exchange

- London

Listing	Chapter 15 premium listing, closed-ended investment fund
Trading	Main Market
ISIN	LU0686550053
SEDOL	B6QWXM4
Ticker	BBGI
Indices	FTSE All-Share and FTSE SmallCap
Admission to trading	21 December 2011

Shares

- Sterling denominated ordinary of no par value

In issue	425,916,568
Price at 31.12.14	£1.2475 per share
ISA, PEP and SIPP Status	Eligible for PEPs/ISAs inclusion (subject to applicable subscription limits) provided purchased in open market. Permissible assets for SIPPS.

Market Capitalisation

- £531.3 million

Investment Basis NAV

- 109.2 pence per share

Target Dividend Yield

- Minimum 5.76 pence per share per annum dividend expected from 2015 onwards*

Target IRR

- 7% – 8% on the £1 IPO issue price*

Investment Policy

- Infrastructure assets – PPP/PFI or equivalent
- Largely operational assets and availability-based revenues
- Public sector or government-backed counterparties with diverse risk profiles
- Single asset target limit of 20% of portfolio, subject to 25% maximum[4]
- Construction assets limited to maximum 25% of portfolio
- Demand based assets limited to maximum 25% of portfolio

Portfolio

- Global, geographically diversified portfolio with strong yield characteristics, contracted government-backed revenue streams, inflation-linked returns and long-term contracts
- 36 projects with fair market value c. £ 454.9 million independently reviewed
- Weighted average concession length of 24.2 years
- Weighted average debt maturity is 21.3 years
- Diverse asset mix with focus on lower risk availability-based road projects
- 89% of assets by value operational. Focus on social infrastructure, which represents 56% of the portfolio value, and availability-based roads infrastructure which represents 44%.
- Assets by value located 41% UK, 29% Canada, 15% Australia, 11% Continental Europe and 4% USA
- Stable cash flows with inflation-protection characteristics
- Potential for upside through active management of portfolio

[4] It is intended that when any new acquisition is made, the investment acquired does not have an acquisition value greater than 20 per cent. of the portfolio value of the Company immediately post-acquisition, but subject to an absolute maximum of 25 per cent.

Notes:
* Targets only and not profit forecasts. No assurances given that targets will be met.

DID YOU KNOW...?

BBGI

… has interests in significant infrastructure projects with a total value of approximately £6 billion.


Scottish Borders Schools, UK

Management

- Internally managed with experienced PPP/PFI in-house management team
- Experienced and independent Supervisory Board
- Strong governance model and alignment of interests between management team and shareholders
- Management team remunerated through long-term and short-term incentive plans that prioritise total shareholder returns, not simply increasing assets under management
- Management team fully committed to management of Company and has no competing interest
- No fees payable to external manager (e.g. no fund management or acquisition fees)
- Ongoing charges percentage of 0.98% of average undiluted NAV for year includes all internal and external recurring costs

Gearing

- Prudent use of leverage with maximum ratio of 33% of portfolio value
- No structural gearing
- £35 million credit facility in place to fund acquisitions with £1.3 million available undrawn balance
- Subsequent to year-end, refinancing and increase of the corporate debt facility to £80 million, with corresponding extension of final maturity by three years, successfully concluded in January 2015

Discount Management

- Able to make discretionary share repurchases through market purchases or tender offers
- Continuation vote at 2015 Annual General Meeting and every second year thereafter

Financial Dates

Year-end	31 December
Dividends	Paid in respect of periods ending 30 June and 31 December
Investment Basis NAV	30 June and 31 December – reviewed by external third party

Website

- www.bb-gi.com

David Richardson
Chairman

CHAIRMAN'S STATEMENT

Dear Shareholder,

Your Company has had another successful year, having completed 10 primary and 9 follow-on acquisitions; reached 36 separate projects globally, including its first in the USA; increased the Net Asset Value by 3.57%; and has received authority to act as an internally managed Alternative Investment Fund. Further details are set out in the Financial and Operational Highlights on Page 2 and in the Report of the Management Board on page 18. As a consequence, I am delighted to announce that your Directors are recommending a final dividend of 2.88 pence per share, bringing the total dividend for 2014 to 5.76 pence per share.

It is now a little over three years since the Company was founded and, in accordance with the Articles of Association, a resolution on the continuation of the Company will be put before shareholders at the Annual General Meeting to be held on April 30th. Your Directors believe that the Company has shown an ability to invest in quality projects around the world which enable it to pay a steady dividend and also to grow the Net Asset Value per share. We have every expectation that this performance can continue. Accordingly, the Directors have no hesitation in recommending that you vote in favour of the resolution, as the Directors intend to do with their own shares. The passing of this resolution will enable the Company to continue in its current form, with a further continuation vote to be held at the Annual General Meeting in 2017.

In last year's statement I mentioned that we were in the process of reviewing the level of remuneration for the Management Board, both to ensure it was in line with the market and to satisfy the new requirements which arose with the Alternative Investment Fund Managers Directive (AIFMD). This process is now finalised and details of the new packages are set out in the Remuneration Report. The Supervisory Board, which acts as the Remuneration Committee, is satisfied that we now have remuneration packages which should allow us to retain top quality management whilst also maintaining a market-leading Ongoing Charges ratio.

The secondary market for PPP/PFI assets is very competitive and we see no sign of this changing in the near future. We are fully focused on enhancing shareholder value, even if this brings slower growth in the size of the Company's asset base. Notwithstanding, the Company has continued to be successful in adding scale whilst maintaining a disciplined approach to pricing and will look to continue to do so throughout the coming year.

D.H. Richardson.

DAVID RICHARDSON

Chairman
BBGI SICAV S.A.
26 March 2015

BOARD MEMBERS

as at 31 December 2014

SUPERVISORY BOARD

DAVID RICHARDSON

Chairman of the Supervisory Board

David Richardson currently holds a number of non-executive directorships, including Senior Independent Director of Assura plc, and non-executive director of The Edrington Group Ltd. He is also Chairman of the Corporate Governance Committee of the Institute of Chartered Accountants in England and Wales. Mr. Richardson's executive career has focused on financial roles, including over 20 years with Whitbread plc where he was Strategic Planning Director and, subsequently, Finance Director. He was instrumental in transforming Whitbread from a brewing and pubs company into a market leader in hotels, restaurants and leisure clubs.

Mr. Richardson has previously served as Chairman of the London Stock Exchange Primary Markets Group, Four Pillars Hotels Ltd., Forth Ports plc and De Vere Group plc, and has also held non-executive directorships at Serco Group plc, Tomkins plc, Dairy Crest plc, World Hotels AG and The Restaurant Group plc.

Mr. Richardson graduated from the University of Bristol with a degree in Economics and Accounting, and qualified as a Chartered Accountant in 1975.

COLIN MALTBY

Senior Independent Director

Colin Maltby has been involved in the financial sector since 1975 when he joined NM Rothschild's international currency management department. Between 1980 and 1995, he held various roles at Kleinwort Benson Group plc, including as a Group Chief Executive at Kleinwort Benson Investment Management, as well as a Director of Kleinwort Benson Group plc.

From 1996 to 2000 Mr. Maltby was appointed Chief Investment Officer at Equitas Limited, and from 2000 to 2007 he worked for BP, as Chief Executive for BP Investment Management Limited and Head of Investments for BP plc. Since 2007, he has served as advisor to institutional investors and as an independent non-executive director of several listed companies.

Mr. Maltby holds MA and MSc degrees from Oxford University and has been a member of the Chartered Institute for Securities and Investment since its formation in 1992.

HOWARD MYLES

Independent Director and Chairman of the Audit Committee

Howard Myles began his career in stockbroking in 1971 as an equity salesman, before joining Touche Ross in 1975 where he qualified as a chartered accountant. In 1978 he joined W. Greenwell & Co in the corporate broking team, and in 1987 moved to SG Warburg Securities where he was involved in a wide range of commercial and industrial transactions in addition to leading Warburg's corporate finance function for investment funds. Mr. Myles worked for UBS Warburg until 2001 and was subsequently a partner in Ernst & Young LLP from 2001 to 2007, where he was responsible for the Investment Funds Corporate Advisory team.

Mr. Myles holds an MA from Oxford University. He is a Fellow of the Institute of Chartered Accountants and a Fellow of the Chartered Institute for Securities and Investment, and is a non-executive director of a number of listed investment companies.

MANAGEMENT BOARD

DUNCAN BALL

Joint CEO

Duncan Ball has been Co-CEO of BBGI from inception and was actively involved in the establishment and IPO listing of BBGI in 2011 and the subsequent growth from 19 assets at IPO to 36 assets currently.

Mr. Ball has worked in the investment banking and project finance sector for over 20 years. He is a chartered financial analyst with extensive PPP experience and has worked on over 20 PPP procurements. Mr. Ball previously worked at the Bilfinger Group before taking on his current role with the Group.

Prior to joining Bilfinger Group, Mr. Ball was a senior member of the North American infrastructure team at Babcock & Brown and was instrumental in helping establish Babcock & Brown's infrastructure business in Canada.

Prior to joining Babcock & Brown, Mr. Ball was Managing Director and co-head of infrastructure for North America for ABN AMRO Bank. During his tenure at ABN AMRO, Mr. Ball led the M&A transactions for a portfolio of infrastructure PPP projects with an enterprise value of over CAD 950 million.

From 2002 until September 2005, Mr. Ball worked at Macquarie Bank where he helped establish Macquarie's infrastructure practice in Western Canada. Prior to that, Mr. Ball worked within the investment banking group at both RBC Capital Markets and CIBC World Markets.

Mr. Ball obtained a Bachelor of Commerce degree from Queen's University in Canada, is a CFA charter holder and is a graduate of the Rotman School of Business Directors Education Program at the University of Toronto.

FRANK SCHRAMM

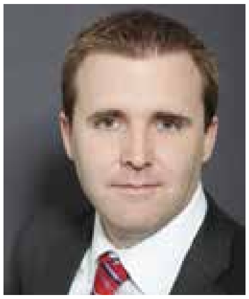
Joint CEO

Frank Schramm has been Co-CEO of BBGI from inception and was actively involved in the establishment and IPO listing of BBGI in 2011 and the subsequent growth from 19 assets at IPO to 36 assets currently.

Mr. Schramm has worked in the PPP sector, investment banking and advisory business for over 19 years. Prior to his current role with the Group, he worked at the Bilfinger Project Investments (BPI) where he led, as Co-Managing Director, the European PPP operations with over 60 staff. In this role, he was responsible for the asset management of over 20 PPP investments with a project volume of about EUR 4 billion, and for acting as shareholder representative in various key investments. In addition to that, he was responsible for the European development activities.

Prior to that role, Mr. Schramm was Finance Director of the PPP operations in Continental Europe at BPI and was responsible for all project finance activities. Mr. Schramm was also responsible for the sale of PPP assets in 2010, 2007 and 2006. While at BPI, Mr. Schramm was involved in over 15 PPP procurements and was involved in either the procurement or the asset management of most of the European investments within the existing portfolio.

Before joining Bilfinger, Mr. Schramm worked at Macquarie Bank in the Investment Banking group from 2000 until 2003 where he was responsible for structured finance transactions. Prior to that, Mr. Schramm worked at Deutsche Anlagen Leasing (DAL) from 1998 to 2000 and Bilfinger Berger BOT GmbH from 1995 to 1998.



MICHAEL DENNY

Finance Director

Michael Denny has worked in corporate finance for 15 years. He has worked in the Private Equity, Real Estate and Infrastructure sectors. Mr. Denny joined the Group in February 2012.

Prior to joining BBGI, Mr. Denny spent five years at the LBREP Group where he headed up their Luxembourg office. The LBREP Group consisted of three Lehman Brothers-sponsored real estate funds with USD 2.4 billion of invested equity and approximately USD 6 billion of assets under management. Mr. Denny was directly involved in the legal and tax structuring of the funds and held directorships on regulated vehicles and on many of the holding and special purpose vehicles which dealt with acquisitions and divestments and the management of the assets. He was also directly responsible for all financial aspects of the Luxembourg platform.

Prior to that role, Mr. Denny worked for over three years as a senior accountant at E Oppenheimer & Sons (Luxembourg) Limited, the Luxembourg platform of a high net worth family's private equity portfolio.

Mr. Denny obtained a degree in Economics and Finance from the Waterford Institute of Technology, Ireland.

Kicking Horse Canyon, BC, Canada

INVESTMENT POLICY AND OBJECTIVES

INVESTMENT POLICY

The Company's investment policy is to invest in equity, subordinated debt and/or similar interests issued in respect of infrastructure projects that have predominantly been developed under the PPP/PFI or similar procurement models. The Company will principally invest in projects that are operational and that have completed construction. Accordingly, investment in projects that are under construction will be limited to 25% of the portfolio value (calculated as at the time of investment).

Project revenue stream characteristics

The Company invests predominantly in projects whose revenue streams are public sector or government-backed, although the Company may invest in projects whose revenue streams are backed by non-governmental organisations that the Directors believe carry an appropriate credit risk and represent a low counterparty risk, for example, as alternative infrastructure procurement models develop (such as private-private partnerships). Investment in projects whose revenue streams are not public sector or government-backed will be limited to 25% of the portfolio value, calculated as at the time of investment.

The Company primarily invests in projects where payments received by the project entities, and hence the revenue streams from the projects, do not generally depend on the level of use of the Project Asset and, as such are "availability-based". Projects are characterised as having an "availability-based" revenue stream if, on average, 75% or more of payments received by the relevant project entity do not depend on the level of use of the project asset. Investment in projects where, on average, 25% or more of payments received by the project entities depend on the level of use made of the project assets ("demand based") will be limited to 25% of the portfolio value, calculated as at the time of investment.

Geographic focus

The Directors believe that attractive opportunities for the Company continue to arise in areas of the world where PPP/PFI is a practised route for delivering infrastructure investments. The Company intends to invest predominantly in projects that are located in Europe, North America, Australia and New Zealand. However, the Company may also invest in projects in other markets, should suitable opportunities arise.

The Company will seek to mitigate country risk by concentrating predominantly on investment opportunities in countries where the Directors consider that project structures are reliable, where (to the extent applicable) public sector counterparties carry what the Management Board consider to be an appropriate credit risk or, alternatively, where insurance or guarantees are available for the sovereign credit risk, where financial markets are relatively mature, and where a reliable judicial system exists to facilitate the enforcement of rights and obligations under project documentation.

Origination of investments

Each of the investments in the portfolio complies with the investment policy and further investments will only be acquired if they comply with the investment policy.

Further investments will be subject to satisfactory due diligence and agreement on price which will be negotiated on an arm's-length basis and on normal commercial terms. It is anticipated that any further investments will be acquired out of existing cash resources, borrowings including letters of credit, funds raised from the issue of new capital in the Company, or a combination of all three.

Single investment limit and diversity of clients and suppliers

In order to ensure that the Company has a spread of investment risk, it is the Company's intention that when any new acquisition is made, the investment (or, in the event of an acquisition of a portfolio of investments, each investment in the portfolio) acquired does not have an acquisition value (or, if it is an additional stake in an existing investment, the combined value of both the existing stake and the additional stake acquired is not) greater than 20% of the portfolio value of the Company immediately post-acquisition (but subject always to a maximum limit of 25% of the portfolio value immediately post-acquisition). In order to avoid over-reliance on either a single client or a single contractor when selecting new investments to acquire, the Company will seek to ensure that the portfolio of project entities in which the Company invests has a range of clients and supply chain contractors.

Borrowing and leverage

The Company intends to make prudent use of leverage (and leverage, in the context of the Company, shall exclude indebtedness in place at project entity level) primarily to finance the acquisition of investments and for working capital purposes. The Company will ensure that the Company's outstanding borrowings, excluding intra-group borrowings and the debts of underlying project entities, but including any financial guarantees to support subscription obligations, will be limited to 33% of the portfolio value. The Company may borrow in currencies other than Pounds Sterling as part of its currency and hedging strategy.

Currency and hedging policy

The Company will continue to invest in project entities that are located not just in the UK, and as a result some of the Company's underlying investments will be denominated in currencies other than Pounds Sterling. For example, investments in the portfolio are denominated in Australian Dollars, Canadian Dollars, Euros, Norwegian Kroner and US Dollars as well as Pounds Sterling. However, any dividends declared and paid on the ordinary shares will be made in Pounds Sterling, and the market price and net asset value of the ordinary shares will be reported in Pounds Sterling.

Any currency rate hedging transactions will only be undertaken for the purpose of assisting the Company in meeting its dividend distribution targets. Hedging transactions will not be undertaken for speculative purposes. Management will continue to review the hedging strategy on an annual basis.

Interest rate hedging may also be carried out to seek to provide protection against increasing costs of servicing any debt drawn down by the Company to finance investments. This may involve the use of interest rate derivatives and similar derivative instruments.

Potential disposals of investments

Whilst the Directors may elect to retain investments over the long term, they will regularly monitor the valuations of such project entities and any secondary market opportunities to dispose of investments. The Company only intends to dispose of investments where it is considered that appropriate value can be realised for the Company or where the Management Board otherwise believe that it is appropriate to do so. Proceeds from the disposal of investments will generally be reinvested, or may be distributed at the discretion of the Management and Supervisory Boards.

Amendments to and compliance with the investment policy

Changes to the investment policy may only be made with the approval of the CSSF and the shareholders by way of ordinary resolution in accordance with the Luxembourg law of 17 December 2010 on undertakings for collective investments (the "Law") and (for so long as the ordinary shares are listed on the Official List) in accordance with the Listing Rules. The investment policy restrictions detailed above apply at the time of the acquisition of any new investment. The Company will not be required to dispose of investments and to rebalance its investment portfolio as a result of a change in the respective valuations of investments, although in such circumstances the Management Board will review the composition of the investment portfolio as a whole and consider whether any rebalancing is in the interests of shareholders.

In the event of any breaches of the investment restrictions contained in the investment policy, the Company will inform shareholders through an announcement on a Regulatory Information Service.

INVESTMENT OBJECTIVES

Looking forward into 2015 and beyond, the Company will continue to seek to provide investors with secure and predictable long-term cash flows whilst actively managing the investment portfolio with the intention of maximising the capital value over the longer term. The Company targets a dividend of 5.76 pence per share per annum with the aim to increase this distribution progressively over the longer term. The Company will target an IRR in the region of 7% to 8% on the £1 IPO issue price, to be achieved over the longer term.

INVESTMENT PORTFOLIO

As at 31 December 2014, BBGI's assets consisted of interests in 36 high-quality, availability-based, PPP/PFI infrastructure assets in the transport, healthcare, education, justice and other services sectors. Located in Australia, Canada, Continental Europe, the UK and the US, 89% of the assets by value are operational, with 4% in early-stage construction[5]. A further 7% are in late-stage construction and expected to become operational in 2015.

■ TRANSPORT
▣ JUSTICE
□ EDUCATION
▢ HEALTHCARE
▨ OTHER

AUSTRALIA

- ▣ Northern Territory Secure Facilities[6]
- ▢ Royal Women's Hospital
- ▣ Victoria Prisons

CANADA

- ■ Golden Ears Bridge
- ▢ Kelowna & Vernon Hospitals
- ■ Kicking Horse Canyon
- ■ Northeast Stoney Trail
- ■ Northwest Anthony Henday Drive
- ▢ Women's College Hospital

USA

- ■ Ohio River Bridges East End Crossing

UNITED KINGDOM

- ▣ Avon & Somerset Police Headquarters
- ▢ Barking & Havering Clinics (LIFT)
- □ Bedford Schools
- □ Clackmannanshire Schools
- □ Coventry Schools
- □ East Down Colleges
- ▢ Gloucester Royal Hospital
- □ Kent Schools
- □ Lagan College
- ▢ Liverpool & Sefton Clinics (LIFT)
- □ Lisburn College
- ■ M1 Westlink
- ■ M80 Motorway
- ▢ Mersey Care Mental Health Hospital[7] (LIFT)
- ■ Mersey Gateway Bridge[5]
- ▢ North London Estates Partnership (LIFT)
- □ Scottish Borders Schools
- ▨ Stoke-on-Trent & Staffordshire Fire and Rescue Service
- □ Tor Bank School

CONTINENTAL EUROPE

- ▣ Burg Prison, Germany
- □ Cologne-Rodenkirchen School, Germany
- □ Cologne Schools, Germany
- ■ E18 Motorway, Norway
- □ Frankfurt Schools, Germany
- ▨ Fürst Wrede Military Base, Germany
- ▨ Unna Administrative Centre, Germany

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[5] Early-stage construction assets will become operational in 2016 or 2017. BBGI has 37.5% equity and subordinated debt subscription obligations in Mersey Gateway Bridge amounting to approximately £20 million to be paid in 2017. The project is included in the construction exposure calculation; however, the value is reduced by the discounted value of the future subscription obligation.

[6] Construction completion achieved in HY2 2014

[7] Construction completion achieved in HY2 2014

Portfolio Summary

Availability Roads	**EQUITY STAKE**
E18 Motorway, Norway	100.00%
Golden Ears Bridge, Canada	100.00%
Kicking Horse Canyon, Canada	50.00%
M1 Westlink, UK	100.00%
M80 Motorway, UK	50.00%
Mersey Gateway Bridge, UK	37.50%
Northeast Stoney Trail, Canada	100.00%
Northwest Anthony Henday Drive, Canada	50.00%
Ohio River Bridges/East End Crossing, US	33.33%

Healthcare	
Barking & Havering Clinics, UK	60.00%
Gloucester Royal Hospital, UK	50.00%
Kelowna & Vernon Hospitals, Canada	50.00%
Liverpool & Sefton Clinics, UK[9]	53.33%
Mersey Care Mental Health Hospital, UK[10]	76.20%
North London Estates Partnerships, UK[8]	53.33%
Royal Women's Hospital, Australia	100.00%
Women's College Hospital, Canada	100.00%

Education	
Bedford Schools, UK	100.00%
Clackmannanshire Schools, UK	100.00%
Cologne Schools, Germany	50.00%
Cologne-Rodenkirchen School, Germany	50.00%
Coventry Schools, UK	100.00%
East Down Colleges, UK	66.67%
Frankfurt Schools, Germany	50.00%
Kent Schools, UK	50.00%
Lagan College, UK	100.00%
Lisburn College, UK	100.00%
Scottish Borders Schools, UK	100.00%
Tor Bank School, UK	100.00%

Justice	
Avon & Somerset Police Headquarters, UK	34.93%
Burg Prison, Germany	90.00%
Northern Territory Secure Facilities, Australia	50.00%
Victoria Prisons, Australia	100.00%

Other	
Fürst Wrede Military Base, Germany	50.00%
Stoke-on-Trent & Staffordshire Fire and Rescue Service, UK	85.00%
Unna Administrative Centre, Germany[11]	44.10%

[8] 53.33% equity and 60% sub debt

[9] 53.33% equity and 59.46% sub debt

[10] 76.20% equity and 80% sub debt

[11] Entitled to 100% of distributions

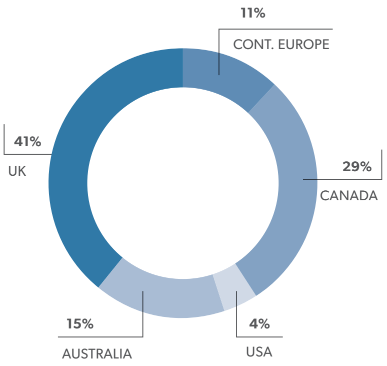
The concessions granted to project entities in the portfolio are predominantly granted by a variety of public sector clients or entities which are government backed. All project entities in the portfolio are located in countries which are highly rated (Aa1/AAA for the UK; Aaa/AAA for Australia, Canada, Germany and Norway; Aaa/AA+ for the US) by Moody's and by Standard & Poor's.

Representation at project level

With regard to the project entities acquired, the Management Board has taken, in most cases, two Board seats within each portfolio asset. More information on the performance of the project entities is provided in the Valuation section of the report.

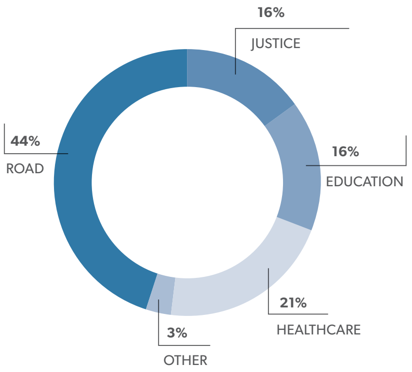
PORTFOLIO BREAKDOWN AT 31 DECEMBER 2014

GEOGRAPHY



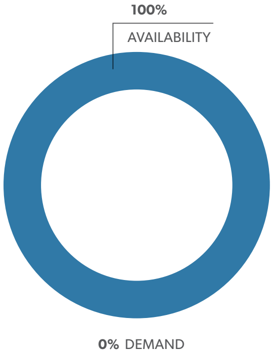
Global portfolio with 36 assets all located in AAA and AA+ rated countries

SECTOR



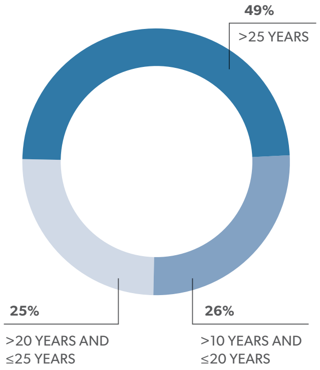
Diversified sector exposure with a bias towards availability-based roads

REVENUE TYPE



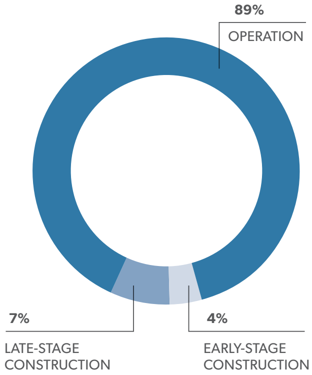
100% availability-based income; no demand risk

CONCESSION LENGTH



Weighted average concession life is 24.2 years and weighted average debt life is 21.3 years

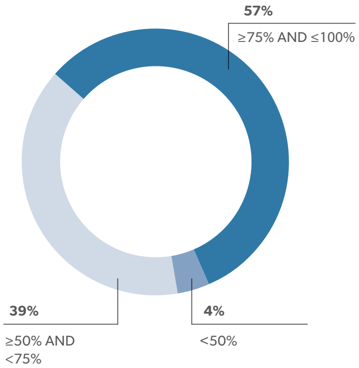
PROJECT STATUS



Modest construction exposure provides opportunity for NAV growth as projects become operational

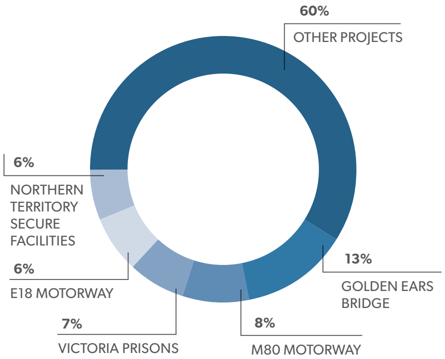
Late-stage construction assets are expected to become operational in 2015 and early-stage construction assets will become operational in 2016 and 2017[5]

PROJECT STAKE



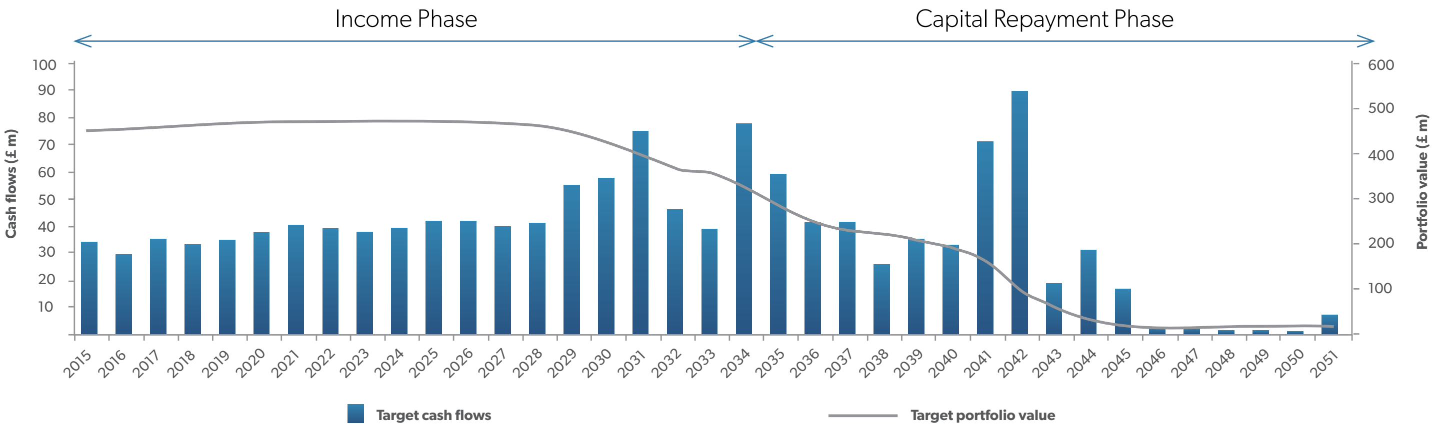
96% of portfolio owned 50% or more

TOP 5 PROJECTS



Well-diversified portfolio with no major single asset exposure

Illustrative portfolio overview



The above chart[12] illustrates the target long-term steady stream of portfolio cash flows deriving from the existing portfolio of underlying assets until year 2051. Typically, new investments contribute to both the cash flows and the weighted average length of the portfolio. Based on current estimates, the existing portfolio will enter into the repayment phase approximately in year 2034, whereby cash inflows from the portfolio will be paid to BBGI's shareholders and the portfolio valuation will reduce as projects reach the end of their concession term.

BBGI has a weighted average portfolio life of 24.2 years, a decrease of 0.4 years compared with 31 December 2013. BBGI has the longest average portfolio life in the UK listed infrastructure sector.

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[12] This illustrative chart is a target only, as at 31 December 2014, and is not a profit forecast. There can be no assurance that this target will be met.

Right: Royal Women's Hospital, Melbourne, Australia

Below: Caludon Castle School and Community College, Coventry, UK

FIVE LARGEST PROJECTS

AVAILABILITY ROADS

GOLDEN EARS BRIDGE, CANADA

Type	Availability-based
Status	Operational
Equity Holding (%)	BBGI: 100%
Total Investment Volume	CAD 1.1 billion
Financial Close/Operational	March 2006/June 2009
Concession Period	32 years (post-construction)

The Golden Ears Bridge near Vancouver is a 1 km, six-lane road that spans the Fraser River and connects Maple Ridge and Pitt Meadows to Langley and Surrey. The scheme, which was opened in 2009, also includes more than 3.5 km of structures including ramps, viaducts, minor bridges and underpasses, and more than 13 km of mainline roadway, a large part of which has been landscaped. The project consists of the design, construction upgrade, finance and operation for 32 years.

The project brought close to CAD 1 billion in construction-related activity to the area. Commuters using the new bridge can save up to 40 minutes per peak-hour round-trip from Maple Ridge to Langley.

M80 MOTORWAY, UK

Type	Availability-based
Status	Operational
Equity Holding (%)	BBGI: 50%
Total Investment Volume	£310 million
Financial Close/Operational	January 2009/July 2011
Concession Period	30 years (post-construction)

The section of road between Stepps and Haggs is an all-purpose dual carriageway and was the only non-motorway section of the A80 between Glasgow and the end of the M80 at Dunblane. The project involved construction of 18 km of dual two-/three-lane motorway with associated slip roads and infrastructure from Stepps in North Lanarkshire to Haggs in Falkirk. Traffic availability was achieved in August 2011 and the improvements have reduced congestion for road users and have improved journey times and reliability.

E18 MOTORWAY, NORWAY

Type	Availability-based
Status	Operational
Equity Holding (%)	BBGI: 100%
Total Investment Volume	NOK 3,604 million
Financial Close/Operational	June 2006/September 2009
Concession Period	25 years (post-construction)

The 38 km dual carriageway carves through a very rugged and extremely beautiful landscape. A total of seven tunnels and six major bridges were completed as part of the contract. This new section of highway is part of the trunk road from Oslo to Kristiansand. It is a key element of the transport corridor between southern Norway and the Continent as well as an important connection between the two cities. In August 2009, the King of Norway opened the E18 Highway between Grimstad and Kristiansand after three years of construction.

JUSTICE

VICTORIA PRISONS, AUSTRALIA

Type	Availability-based
Status	Operational
Equity Holding (%)	BBGI: 100%
Total Investment Volume	AUD 244.5 million
Financial Close/Operational	21 January 2004/ Feb–Mar 2006
Concession Period	25 years (post-construction)

The Metropolitan Remand Centre near Melbourne accommodates up to 600 male prisoners and is Victoria State's major intensive treatment facility for male prisoners. It offers treatment programs aimed to promote rehabilitation, to reduce repeat offending and to prepare prisoners for transition back into the community.

The second smaller facility is the Marngoneet Correctional Centre which houses 300 male prisoners and is also located in greater Melbourne. Both prisons started operation in 2006.

In 2013, two significant augmentation orders were undertaken to expand the prisoner capacity.

NORTHERN TERRITORY SECURE FACILITIES, AUSTRALIA

Type	Availability-based
Status	Operational
Equity Holding (%)	BBGI: 50%
Total Investment Volume	AUD 620 million
Financial Close/Operational	October 2011/ November 2014
Concession Period	30 years (post-construction)

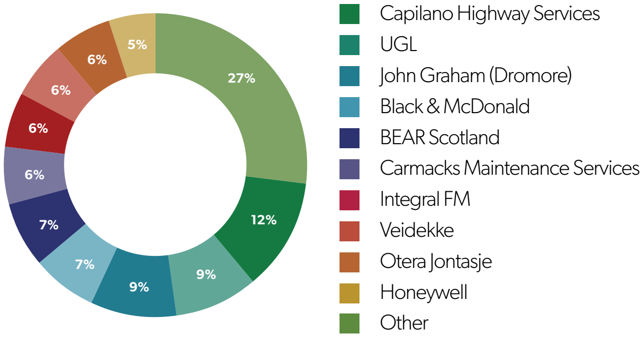
The facility, located near Darwin, includes three separate centres:

- A 1,000-bed multi-classification men's and women's correctional centre to replace the existing outdated facilities at Berrimah.
- A 30-bed secure mental health and behavioural management centre, the first of its kind in the Territory.
- A 48-bed supported accommodation and program centre for community-based offenders, with facilities designed to support the government's goals of enhanced rehabilitation, education and reduced reoffending rates in the Territory.

BBGI acquired this project while it was still in construction. The facility became operational in HY2 2014. The new facility will allow Northern Territory Corrections to engage prisoners into structured daily programs in order to foster rehabilitation and stronger reintegration.

Facility Management

The diagram below illustrates the level of counterparty exposure with respect to facilities management as a percentage of portfolio value.



Relationship with clients

The Management Board continues to work hard to build and maintain a good dialogue with the Group's public sector clients and partners. It is engaged in resolving issues, identifying efficiencies, and facilitating variations which benefit both shareholders and public sector clients.

Across the entire portfolio, BBGI remains comfortable with the counterparty risk of the public sector clients, and the Management Board is not aware of any instances of financial distress which might lead to default. Facility management continues to be performed at a high level with no major incidents to report.

Environmental and Social Governance ("ESG")

As part of their corporate social responsibility, the Boards recognise the importance of ensuring that the Company develops appropriate environmental, social and ethical policies. The Company has implemented its ESG policies which have been designed to ensure that the Company follows best practices in relation to corporate responsibility. The policies are monitored and updated on an ongoing basis.

In respect of further investments, as part of the due diligence process, the Company will analyse the environmental, social and ethical policies of potential new acquisitions and, where possible, the adherence to those policies by key contractors and service providers. In addition, the Company will undertake an analysis of governance procedures at the relevant project entity with the intention of ensuring that the Company has appropriate Board representation and influence at the project entity level.

Once the Company has acquired an investment in a project entity, it then undertakes regular reviews of the environmental, social and ethical policies that the project entities have in place and their adherence to these policies in the delivery of their services. Health and safety practices are also monitored across the Company's portfolio, and any serious breaches or incidents are reported to the Management Board, which in turn reports to the Supervisory Board.

Right: Northeast Stoney Trail, Canada

Below: Unna Administrative Centre, Germany

REPORT OF THE MANAGEMENT BOARD

BUSINESS REVIEW

Business of the Company

We are very pleased to present the results for the year ended 31 December 2014.

The Management Board has presented the management report for the consolidated financial statements and the stand-alone financial statements as a single report.

Highlights

Please see page 2 for a summary of the Financial and Operational Highlights for 2014.

BBGI's goals for 2014 were to manage the portfolio actively to enhance returns and position of the Company for continued selective growth. Certain key performance indicators for 2014 are highlighted below:

Key Performance Indicators ("KPIs")

	31 Dec 12	31 Dec 13	31 Dec 14	Target
Dividends paid in year	3.2 pence per share	5.5 pence per share	5.63 pence per share	2013: 5.50 pence per share 2014: 5.63 pence per share 2015: 5.76 pence per share target
Investment Basis NAV	£220.34 m	£449.25 m	£465.29 m	Stable growth
Growth in NAV per share in reporting period	5.72%	2.04%	3.49%	Stable and consistent NAV per share growth
Total Shareholder return in year	11.6%[13]	15.7%	10.79%	7% to 8% on the £1 IPO issue price
Total Shareholder return since listing in December 2011	11.6%	29.0%	41.25%	7% to 8% on the £1 IPO issue price
Ongoing charges (using the AIC recommended methodology)	1.44%	1.11%	0.98%	Seek to minimize at all times
Weighted average discount rate	8.51%	8.39%	8.21%	To reflect the risk associated with the underlying investments
Weighted average PPP/PFI concession life	24.6 years	24.6 years	24.2 years	Maintain/renew the longevity of the portfolio
Weighted average portfolio debt maturity	22.8 years	23.2 years	21.3 years	Maintain long-term financing of the portfolio
Five largest investments as a percentage of the portfolio by value	60%	51%	40%	Portfolio diversification
Largest investment as a percentage of the portfolio by value	15% (VCIP)	17% (GEB)	13% (GEB)	To be less than 20% at time of acquisition

[13] The figure of 11.6% represents the total shareholder return since listing in December 2011 to 31 December 2012.

GROWTH IN THE PORTFOLIO

Benefits of the growth

2014 was a year of significant growth for BBGI as the Company increased its portfolio from 26 projects with a fair market value of c. £324.1 million as at 31 December 2013 to 36 projects with a fair market value of c. £454.9 million as at 31 December 2014.

In total, during the course of the year, the Company completed the acquisition of 19 separate interests in new and existing projects from a variety of parties for total consideration of approximately £120.4 million. The acquisitions made during the year include the Company's first investment in the US, as well as further acquisitions in Australia, the UK, Germany and Norway. These acquisitions further diversify the Company's already diverse portfolio and create a strong global portfolio with assets located in AAA and AA+ rated countries.

Despite an increasingly competitive landscape, all of these transactions were completed on a negotiated basis without engaging in broad auctions, which can often result in the acquirer overpaying for assets. These transactions were concluded on attractive and accretive terms and will provide the following benefits to shareholders:

- Further diversify the Group's investment portfolio by geography and sector:
    - International portfolio with majority of assets being outside the UK.
    - Major exposure to availability-based transport projects which the Management Board believes are less complex and easier to operate than social infrastructure assets.
- Continue to diversify the counterparty exposure while maintaining an attractive mix of high investment grade, creditworthy counterparties.
- Ongoing charge percentage has dropped to 0.98%, which we believe to be the lowest within the UK listed infrastructure sector. The decrease was primarily due to the larger asset base for the Company over which its operating costs are spread, given the absence of asset-based management fees because of the company's internal management structure.
- Providing some exposure to projects in construction, thereby increasing the opportunity for greater NAV growth in the future, as these assets are expected to see a valuation uplift before or upon becoming operational.
- Increasing the issued share capital of the Company, thereby increasing the liquidity of the shares and providing scale benefits.

As the portfolio grows in size, the benefits of the internal management structure become more evident with some potential for the ongoing charge ratio to continue to decline further.

Acquisitions

The Company completed ten primary acquisitions as well as nine follow-on acquisitions with a total value of £120.4 million as summarised below. These projects are availability based with no volume risk, and are supported by contracted, public sector-backed revenue streams, with inflation-protection characteristics.

January

BBGI completed the acquisition of a 33.33% interest in the Ohio River Bridges/East End Crossing ("ORB") PPP project. This transaction is BBGI's first asset in the US. This is one of a handful of availability-based projects to be delivered in the US using PPP as a procurement method, and the Company is excited to gain an early foothold in the promising US market.

The project benefits from a very experienced and financially strong construction joint venture, has long-term financing in place and is not subject to any refinancing risk. ORB is a long-term public-private-partnership concession procured by the Indiana Finance Authority for the development, design, construction, financing, operation and maintenance of a cable-stayed bridge and associated roadway and facilities across the Ohio River, connecting Clark County, Indiana and Jefferson County, Kentucky. The bridge is in close proximity to Louisville, Kentucky.

The concession term is equal to the construction period of 3.6 years plus 35 years of operations. The project payment mechanisms are comprised of a series of milestone payments to be received both during the construction period and shortly after the achievement of substantial completion, and monthly availability payments in the operation period. The construction work relating to the project is being undertaken by a joint venture between Walsh Construction Company and VINCI Construction Grand Projects JV, both of which are experienced in delivering large transportation infrastructure projects. Construction obligations have been designed to be passed down to the design/build joint venture through a fixed price, date-certain, design/build contract.

February

BBGI completed the acquisition of additional interests in three LIFT projects from Assura Group Limited. The interests acquired include equity and subordinated debt interests in Liverpool & Sefton Clinics, North London Estates Partnerships and Mersey Care Mental Health Hospital.

The Liverpool & Sefton Clinics LIFT project is a UK concession to develop, fund, build, operate and manage primary healthcare facilities in Liverpool and Sefton. Under the Assura Acquisition Agreement, BBGI acquired 20.0% of the equity interest in the project and 26.1% of the subordinated debt.

The North London Estates Partnership LIFT project is a UK concession to develop, fund, build, operate and manage primary healthcare facilities around Barnet, Enfield and Haringey. BBGI acquired 20.0% of the equity interest in the project and 26.7% of the subordinated debt.

The Mersey Care Mental Health project involves transforming the former Walton Hospital site in Liverpool into a new 85-bed mental health in-patient facility. The concession expires in 2044 and is availability based with no volume risk. BBGI acquired an initial stake in the project from Bilfinger and, under the Assura Acquisition Agreement, acquired a further 28.6% of the equity and 30.0% of the subordinated debt. Upon completion of both acquisitions, BBGI now controls 70.1% of the equity and 70% of the subordinated debt. The asset was in construction when it was acquired but became operational in HY2 2014. As expected, BBGI benefited from an uplift in valuation when the asset transitioned from the construction phase to the operational phase.

March

BBGI signed and completed the acquisition of Bilfinger Group's equity and subordinated debt subscription obligations of approx. £20 million, representing 37.5% of the equity and subordinated debt, in Mersey Gateway Bridge. The subscription obligations are backed by a letter of credit using BBGI's credit facility. BBGI is excited to be involved in this critical piece of infrastructure being delivered under the new UK infrastructure investment programme. This acquisition is on accretive terms and was agreed without engaging in an auction process.

BBGI completed the acquisition of a 50% interest in the Northern Territory Secure Facilities ("NTSF") in Australia. NTSF is a new 1,000-bed correctional facility, located on a greenfield site near Darwin, Australia. When the project was acquired, it was in construction, but it subsequently became operational in H2 2014. As expected, the project benefited from an uplift in value as the asset moved from the construction stage into operations. The concession term runs until June 2044. BBGI will receive availability payments during the concession period from the Northern Territory government which is rated Aa1 by Moody's Investor Services. The construction work relating to the project was undertaken by a joint venture between Baulderstone Pty (now Lend Lease) and Sitzler Pty Ltd. Construction obligations were designed to be passed down to the joint venture through a fixed price, date-certain, design and build contract. Honeywell Limited is responsible for the facility management and the Northern Territory government provides custodial services.

April

BBGI completed the acquisition of a 50% equity and loan note interest in four operational PPP Projects in Germany from Hochtief PPP Solutions GmbH. The Frankfurt Schools project is a 22-year concession to design, build/refurbish and maintain four schools in the City of Frankfurt am Main, with the concession expiring in July 2029. The Cologne Schools project is a 25-year concession to design, build and maintain seven schools at five locations in the City of Cologne, with the concession expiring in December 2029. The Cologne-Rodenkirchen Comprehensive School consists of a comprehensive school serving 1,200 students. The project is a 25-year concession which expires in November 2034. Fürst Wrede Military Base Munich consists of various accommodation, office and training buildings, vehicle depots and gymnasiums in the Munich region, and is a 20-year concession which expires in March 2028.

BBGI signed and completed the acquisition of an additional 6.67% equity and subordinated debt interest in two existing operational LIFT projects from Galliford Try Investments Limited. The two projects are the North London Estates Partnerships, and the Liverpool & Sefton Clinics. Following this acquisition, BBGI owns more than 50% in these projects.

May

BBGI completed the acquisition of 100% equity and subordinated debt interest in Lagan College, an operational long-term PPP concession to build a school and partially refurbish and remodel an existing school building in Northern Ireland. Under the sale and purchase agreement, BBGI has acquired from the Bilfinger Group 70% of the equity and subordinated debt in the project. Under the Graham Acquisition Agreement, BBGI has acquired the remaining 30% of the equity interest and subordinated debt in the project.

June

BBGI completed the acquisition of 100% equity and loan note interests in DBFO-1 Road Service ("M1 Westlink") from the Bilfinger Group and Graham Investment Projects Limited. M1 Westlink is a long-term concession to design, upgrade, finance and operate the M1 Westlink road scheme in Belfast, UK. The project commenced in April 2006 and required a significant amount of construction work to upgrade key sections of the existing road network. This consisted of approximately 60 km of motorway and a short section of linking dual carriageway through the heart of Belfast. The project was completed approximately six months ahead of schedule in November 2009. The concession expires in 2036.

BBGI completed the acquisition of a further 41.2% equity interest in the E18 Roadway Project ("E18") in Norway from Sundt A.S., and now owns 100% of the equity interest in E18. The project is a long-term PPP concession contract to operate and maintain a new section of highway between Grimstad and Kristiansand in Norway. The 38 km dual carriageway road opened in August 2009 and is part of the trunk road from Oslo to Kristiansand. It is a key element of the transport corridor between southern Norway and the Continent, as well as an important connection between the two cities. The concession expires in 2034.

July

BBGI completed the acquisition of a further 6.1% of the equity and 10% of the sub debt interest in the Mersey Care Mental Health Hospital project in UK from GB Partnerships Investments Limited.

December

BBGI completed the acquisition of equity and subordinated debt interest in the Avon & Somerset Police Headquarters in the UK. The asset consists of four Police buildings (an Operation Base, two Custody and Crime Investigation Centres, and a Tri-forces Firearms Training Centre). Three of the four buildings are operational.

DID YOU KNOW…?

BBGI

… is responsible for nearly 300 bridges and structures and 8 tunnels that can be found along the length of its 9 motorway projects.

… has investments which include 31 schools, 4 prisons, 36 hospitals or health buildings, and more than 30 administration buildings of all kinds - including police and fire stations and buildings for military and justice uses. These facilities are spread across 3 Continents.

Future Growth

Since going public in 2011, the Management Board has been able to grow the Company successfully from 19 assets to 36 assets as at 31 December 2014. While access to Bilfinger's pipeline was a reliable and attractive initial growth driver for the Company following the IPO, the Company has also benefited from the Management Board's ability to source investment opportunities from a variety of sources and in different geographies.

The management team has extensive experience in the PPP/PFI secondary market, having been involved in secondary market transactions with an aggregate investment volume in excess of EUR 8 billion. The Management Board believe that BBGI will be well positioned to originate further investments due to their extensive PPP industry contacts in Australia, Europe and North America. During 2014, of the 19 acquisitions of interests completed by the Company, only six originated from Bilfinger, with the remainder coming from a variety of sources including construction companies, developers, and infrastructure investors.

The Management Board has been very conscious of the need to exercise restraint and discipline in pursuing selective, accretive growth. While there was no shortage of investment opportunities presented to BBGI in 2014, we only moved forward with a fraction of the opportunities presented. We avoided the broad auction processes and had less than £50,000 in bid/pursuit costs for opportunities that did not result in actual investments.

The Management Board has noticed the increased competitive tension in the PPP/PFI secondary market. There is currently more investment capital searching for assets than there is supply, putting pressure on prices. Also, for the last 24 months, there has been a very strong inflow of funds into the listed PPP/PFI infrastructure sector. During this time, it has been much more difficult to identify and acquire projects on terms that are accretive to shareholders than to source the investment capital. We expect these conditions to continue in 2015; we will remain very selective and surgical in pursuing new investment opportunities and will only move forward with those opportunities which we believe will create shareholder value.

In an increasingly competitive acquisition market, we believe there are a handful of guidelines that will serve us well in 2015:

> *Remain disciplined on price:* We will remain focused on pursuing opportunities that are accretive. We believe our internal management structure serves us well in this regard. As the only internally managed London-listed PPP/PFI fund, the individuals making the investment decisions work directly for the Company and not for an external manager. Unlike the structure with a typical external manager, the management team is not rewarded for assets under management or paid acquisition fees. Therefore, there is no bias for growth at BBGI unless it is beneficial to shareholders.
>
> *Follow through on integration and asset management initiatives:* In an increasingly competitive acquisition environment, bidders are often required to consider synergies and various savings as part of their bids to be successful. Synergies and savings will only be priced when management are confident they can be achieved. For an acquisition to be profitable, these enhancements need to be implemented post-acquisition, so we will continue to remain very focused on bedding in the assets, implementing cost savings and active asset management post-acquisition.
>
> *Keep an eye on bid costs:* While we will continue to examine and consider a wide variety of opportunities, we will remain focused on bid costs and will only incur due diligence costs for opportunities where we have a reasonable prospect of success. We will be careful in allocating our energy and budgets only to the best opportunities. We have also kept our costs low by having a relatively modest credit facility (£80 million) which results in lower standby fees while still retaining the flexibility to consider larger transactions by having a further £100 million accordion tranche for which no standby fees are paid.

The Management Board will continue to be cautious in its approach to engaging in competitive auction processes and will only do so when it can see the possibility of making an accretive investment. Furthermore, it will seek to acquire additional stakes in existing projects and will continue to review primary deals, an area where BBGI is currently focused, with several opportunities in Canada and Continental Europe.

While price is always a key consideration, BBGI has been able to differentiate itself in certain circumstances by being able to transact quickly or discreetly, having specific regional knowledge or offering the best value by being able to consider synergies or efficiencies. We remain optimistic that we will be able to continue to grow the portfolio on attractive terms.

Construction Exposure

The Company's investment policy is to invest principally in projects that are operational and that have completed construction. Accordingly, investment in projects that are under construction will be limited to 25% of the Portfolio Value (calculated as at the time of investment). The rationale for this approach is to be able to produce a stable dividend for our shareholders while at the same time gaining some exposure to the potential NAV uplift that can occur when projects move from the construction stage to the operational stage.

During the course of 2014, BBGI had six projects which were in construction, and the monitoring and management of these projects was a key focus for the Management Board. The Company expanded its asset management team with individuals with specific PPP construction experience to help manage and mitigate any potential risks including, in April 2014, hiring a second Director in Asset Management. By the end of 2014, two of the projects in construction, Northern Territory Secure Facilities in Australia and Mersey Care Mental Health Hospital in the UK, became operational as expected.

The completion of both Northern Territory Secure Facilities and Mersey Care Mental Health Hospital helped validate our investment thesis of investing in projects during the construction phase when the returns are higher.

While there is some increased risk associated with investing in projects during the construction phase, we believe the higher returns afforded during the construction phase are attractive on a risk-adjusted basis. We also consider the risks to be quite manageable, as the construction risk is generally being passed down to creditworthy construction subcontractors. The typical construction contract is a fixed-price, date-certain contract where the construction contractor is responsible for any potential cost overruns or delays. Construction support packages typically consist of letters of credit or bonds from third parties and, to the extent necessary, parent company guarantees from the parent of the construction companies.

As at 31 December 2014, four projects (11% of portfolio value) are in construction. Two of these projects (7% of portfolio value) are in late-stage construction and expected to become operational in 2015. The remaining two projects (4% of portfolio value)[14] are in early-stage construction and are scheduled to become operational in 2016 or 2017. The Management Board believes that the Company's ability to meet its dividend targets has not been compromised by this construction exposure and will continue to monitor this closely as the portfolio grows.

BBGI remains optimistic for further NAV growth, particularly once the four projects currently in construction within the Company's portfolio move closer to, and into, the operational phase. The ability to provide such organic growth in NAV as particular potential risks in assets reduce over time is an important and differentiating characteristic of the Company. It also provides a potential future mitigant to any possible adverse movements in NAV that might arise from changes in macroeconomic factors.

DID YOU KNOW…?

BBGI

… operates over 100 separate facilities, covering more than 1,000,000m^2 of floor space.

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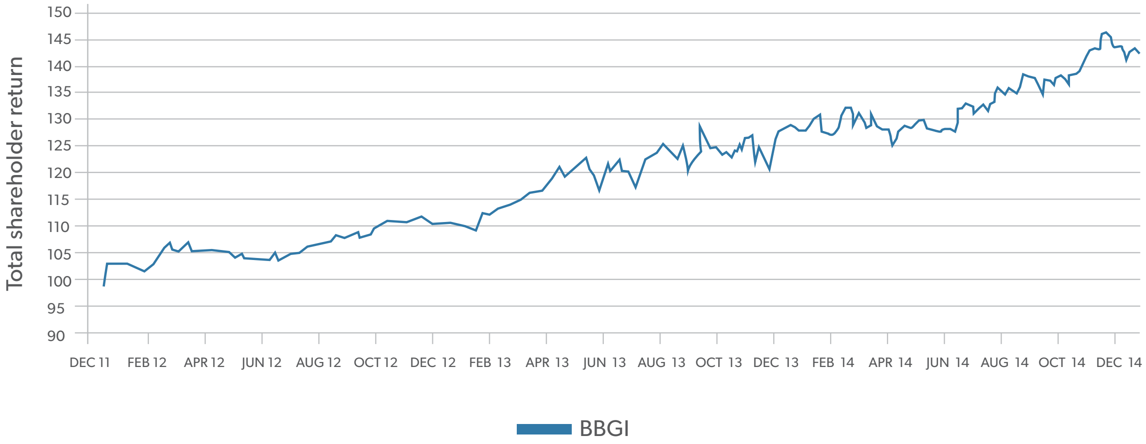
[14] BBGI has 37.5% equity and subordinated debt subscription obligations in Mersey Gateway Bridge amounting to approximately £20 million to be paid in 2017. The project is included in the construction exposure calculation; however, the value is reduced by the discounted value of the future subscription obligation.

INVESTMENT PERFORMANCE

Share Price

The Company's share price has performed well and has maintained a premium to net asset value. We continue to believe that a key benefit of the portfolio is the high-quality cash flows that are derived from long-term government-backed contracts. As a result, the portfolio performance is largely uncorrelated to the many wider economic factors that may cause market volatility in other sectors.

The share price closed the year at £1.2475, an increase of 5.7% in 2014. Shares traded at a premium to net asset value throughout the year in a range from 8.9% to 20.2%. TSR in calendar year 2014 was 10.79% whilst TSR from IPO to 31 December 2014 was 41.25%.



Distribution policy

Distributions on the ordinary shares are planned to be paid twice a year, normally in respect of the six months to 30 June and the year ended 31 December. Subject to market conditions and the level of the Company's income, it is intended that distributions will be paid as final dividends, subsequent to shareholder approval at the AGM at the end of April, and as interim dividends in October of each year.

Dividends

On 27 June 2014, the Company paid a final dividend of 2.75 pence per share for the year ended 31 December 2013. A scrip alternative was also offered to shareholders. On 2 October 2014, an interim dividend of 2.88 pence per share was paid. Payment of this interim dividend was consistent with the Company's revised target dividend payment of at least 5.76 pence per share per annum. This revised target represents an increase of 4.7% on the previous target dividend payment of 5.5% per annum by reference to the IPO issue price of £1.

In addition to the interim dividend, the Company proposes a final dividend of 2.88 pence per share for the year ended 31 December 2014, giving total distributions of 5.76 pence per share for the year.

Hedging

The Company is exposed to foreign exchange movements on future portfolio distributions denominated in AUD, CAD, EUR, NOK and USD. The Management Board has implemented a policy of hedging forward a portion of its anticipated foreign currency cash flows. The Company seeks to provide protection to the level of Sterling dividends that the Company aims to pay on the ordinary shares, in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. The Company currently uses forward contracts to hedge against exchange rate exposure. The Company does not currently hedge the future

Euro cash flows, as it is envisaged that these cash flows will be used to cover the fund's running costs which are largely Euro denominated.

An in-depth review of hedging strategy is carried out on an annual basis.

Investment opportunity

The Management Board believes that an investment in BBGI provides shareholders with the following benefits:

- Exposure to high-quality PPP infrastructure assets with the following attributes:
  - Long-term stable cash flows from assets that are mainly operational (or near operational) and backed by public sector or government-backed counterparties
  - Potential for NAV growth as a limited number of projects currently in construction within the Company's portfolio move closer to, and into, the operational phase
  - Strong yield characteristics and attractive inflation protection characteristics
  - A portfolio which is diversified by sectors with a focus on availability-based transport projects
  - Spread across a number of high-quality creditworthy countries
  - High degree of project control, with BBGI controlling more than 50% of the equity in 96% of its project entities (calculated by reference to project value)
  - Availability-based road projects and a range of social infrastructure projects
  - Potential for value enhancement opportunities and acquisition of further stakes
- Alignment of interest between the Company, the management team and shareholders through an internal management structure
- 0.98% ongoing charge percentage which we believe to be the lowest within the UK listed infrastructure sector. This is primarily due to the internal management structure: no NAV-based management fees, no acquisition fees and no performance fees charged; director fees earned from the project entities are also for the benefit of BBGI and are not paid to a third party.
- Experienced PPP/PFI management team
- Continuation vote in 2015 and every two years thereafter

Investor communications

The Company places great importance on communication with its shareholders and welcomes their views. It is the intention of the Company to remain at the forefront of disclosure and transparency in its asset class, and therefore the Boards regularly review the level and quality of the information that the Company makes public.

Formal reports are made by the Company twice a year through the annual and interim reports and financial statements. In addition, management statements and other current information on the Company provided through the Company's website pages, market announcements and investor briefings assist in keeping investors and other interested parties informed. At Shareholder General Meetings, each share is entitled to one vote; all votes validly cast at such meetings (including by proxy) are counted, and the results of such meetings are announced by the Company on the day of the relevant meeting.

The Boards are keen to maintain and develop engagement with shareholders. Regular and comprehensive feedback from investors is received via the Management Board and the Corporate Brokers, and reported to each scheduled meeting of the Supervisory Board. Throughout the year under review, Board members have made themselves available to major shareholders and key sector analysts, both collectively and on a one-to-one basis, for discussion of key issues and expectations around Company performance, and will continue to do so. Board members intend to continue to be available to meet with shareholders periodically to facilitate open two-way communication on the development of the Company. Shareholders may contact members of both the Management and Supervisory Boards at the registered office of the Company, which address can be found on page 129 of the Annual Report or on the Company's website at www.bb-gi.com.

Share capital

The issued share capital of the Company is 425,916,568 ordinary shares of no par value. All of the ordinary shares issued rank *pari passu*. There are no special voting or other rights attaching to any of the ordinary shares.

Voting rights

There are no restrictions on the voting rights attaching to ordinary shares.

Discount management

Although the Company's shares have traded at a premium since flotation, the Management Board will actively monitor any discount to the net asset value per ordinary share at which the ordinary shares may trade in the future. The Management Board will report to the Supervisory Board on any such discount and propose actions to mitigate this.

Purchases of ordinary shares by the Company in the market

In order to assist in the narrowing of any discount to the net asset value at which the ordinary shares may trade from time to time and/or to reduce discount volatility, the Company may, subject to shareholder approval:

- Make market purchases of up to 14.99% per annum of its issued ordinary shares
- Make tender offers for the ordinary shares

Share repurchases

No shares have been bought back in the year. The most recent authority to purchase ordinary shares for cancellation was granted to the Company on 30 April 2014 and expires on the date of the next Annual General Meeting ("AGM"). The Company is proposing that its authority to buy back shares be renewed at the forthcoming AGM.

Continuation Vote

The Company's Articles of Association provide that the Directors must propose a continuation vote to the shareholders of the Company at the Annual General Meeting to be held in April 2015, and then every second AGM following, to allow the Company to continue in its current form. Resolution 12 provides shareholders with that vote which, as an Ordinary Resolution, requires a positive simple majority to be passed.

The Company has had a positive start since IPO in December 2011, growing from the initial 19 investments to 36 in the following three years, delivering a Total Shareholder Return of 41.25% since IPO to 31 December 2014, trading at a premium to NAV throughout that period, and delivering on all its targets. The Management Board considers that it is in shareholders' interests for the Company to continue in its current form in order to deliver on those targets and enhance shareholder value. The Management Board therefore has no hesitation in recommending that shareholders vote in favour of the resolution, as the Directors intend to do with their own shares. This will enable the Company to continue as an investment company for a further two years until the AGM to be held in 2017, at which point the continuation vote will be put to shareholders once again.

Details of substantial shareholders

As at 10 March 2015, being the latest available information, the management are aware of the following shareholders holding more than 5% of the Company's ordinary shares.

NAME	HELD	% OF TOTAL SHARE CAPITAL
M&G INVESTMENTS	63,312,436	14.86
NEWTON INVESTMENT MANAGEMENT	59,777,994	14.04
SCHRODER INVESTMENT MANAGEMENT	44,922,172	10.55
INVESTEC WEALTH & INVESTMENT	29,783,222	6.99
HSBC GLOBAL ASSET MANAGEMENT (UK)	26,920,503	6.32

VALUATION

The Management Board is responsible for carrying out the fair market valuation of the Company's investments, which it then presents to the Supervisory Board. The valuation is carried out on a six-monthly basis as at 30 June and 31 December each year. An independent professional third party reviews this valuation.

The valuation is determined using the discounted cash flow methodology. The cash flows forecasted to be received by the Company or its subsidiaries, generated by each of the underlying assets, and adjusted as appropriate to reflect the risk and opportunities, have been discounted using project-specific discount rates. The valuation methodology is the same one used for the valuation of the portfolio last year and as part of the Company's mid-year results.

The Company uses the following macroeconomic assumptions for the cash flows:

Macro-economic assumptions

END OF PERIOD	31-DEC-15	31-DEC-16	31-DEC-17	LONG TERM
UK				
Indexation (%) (1)	1.75	2.75	2.75	2.75
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%)	20.0	20.0	20.0	20.0
CANADA				
Indexation (%) (1,2)	1.00/1.35	2.00/2.35	2.00/2.35	2.00/2.35
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%) (3)	25.0/26.0/26.5	25.0/26.0/26.5	25.0/26.0/26.5	25.0/26.0/26.5
GBP/CAD as at 31 December 2014 (4)	1.806	1.806	1.806	1.806
AUSTRALIA				
Indexation (%) (1,5)	1.50	2.50	2.50	2.50
Deposit Interest Rate (%) (6)	4.00/5.00	4.00/5.00	4.00/5.00	4.00/5.00
SPC Corporate Tax (%)	30.0	30.0	30.0	30.0
GBP/AUD as at 31 December 2014 (4)	1.904	1.904	1.904	1.904
GERMANY				
Indexation (%) (1)	1.00	2.00	2.00	2.00
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%) (7)	15.8	15.8	15.8	15.8
GBP/EUR as at 31 December 2014 (4)	1.278	1.278	1.278	1.278
NORWAY				
Indexation (%) (1,8)	1.94	2.94	2.94	2.94
Deposit Interest Rate (%)	1.8	2.5	4.0	4.0
SPC Corporate Tax (%)	27.0	27.0	27.0	27.0
GBP/NOK as at 31 December 2014 (4)	11.564	11.564	11.564	11.564
USA				
Indexation (%) (1)	1.50	2.50	2.50	2.50
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Federal Tax/Indiana State Tax (%)	35.0/4.2	35.0/4.2	35.0/4.2	35.0/4.2
GBP/USD as at 31 December 2014 (4)	1.553	1.553	1.553	1.553

(1 Due to the current economic environment, the indexation rates used for the 12 months to 31 December 2015 have been reduced compared to those rates reported in the June 2014 interim report.

(2) All Canadian projects have a long-term 2.0% indexation factor with the exception of Northeast Stoney Trail and Northwest Anthony Henday Drive which have a slightly different indexation factor which is derived from a basket of regional labour, CPI and commodity indices.

(3 Tax rate is 25% in Alberta, 26% in British Columbia and 26.5% in Ontario.

(4) As published on www.oanda.com.

(5) Long-term CPI 2.50% / Long-term LPI 3.50%.

(6) Cash on Debt Service Reserve Accounts and Maintenance Service Reserve Accounts can be invested on a six-month basis. Other funds are deposited on a shorter term.

(7) Including Solidarity charge, excluding Trade tax which varies between communities.

(8) Indexation of revenue based on basket of four specific indices.

Other key inputs and assumptions include:

- Any deductions or abatements during the operation period are passed down to subcontractors
- Cash flows from and to the Company's subsidiaries and the portfolio investments are received at the times anticipated
- Where the operating costs of the Company or portfolio investments are fixed by contract, such contracts are performed, and where such costs are not fixed, they are in line with the budgets
- The contracts under which payments are made to the Company and its subsidiaries remain on track and are not terminated before their contractual expiry date

Over the 12-month period from 31 December 2013 to 31 December 2014, the Company's Investment Basis NAV increased from £449.25 million to £465.29 million. The increase in NAV per share from 105.6 pence to 109.2 pence or 3.49% is primarily a result of the key drivers listed below.

Key drivers for NAV growth

As part of BBGI's asset management activities, some value optimisations have been identified on projects:

- The UK project entities now take into account the enacted tax rates of 21% from 1 April 2014 up to 31 March 2015 and 20% from 1 April 2015 onwards. This has lowered the projected tax payments.
- BBGI benefits from a comparatively young portfolio with an average concession life of 24.2 years including some project entities in construction. As the Company moves closer to the forecasted dividend payment dates, the time value of those cash flows on a net present value basis increases (unwinding of discount).
- A decrease in discount rates based on both the reduced risks associated with some investments and a modest reduction in the market rate for stable operational projects which mirrors the trend seen in comparable PPP infrastructure transactions. This decrease in discount rates has resulted in a NAV uplift of £11.8 million in 2014.
- Cost optimisations undertaken on some projects and active asset management have resulted in increased distributions.
- Net positive effect from inflation over the portfolio.
- On some transportation projects, BBGI has experienced, and is expected to continue to experience, lower than expected life-cycle expenditure.

Foreign exchange and hedging

The foreign exchange rates at 31 December 2014 show depreciation during the year of the Australian Dollar, Canadian Dollar, Euro and Norwegian Krone against the British Pound. During the same period, the US Dollar appreciated against the British Pound. The net effect of the foreign exchange movement was a negative impact on the NAV of the portfolio, (refer to the Investment Basis NAV Movements section on pages 29 and 30). While the Company tries to mitigate the impacts of foreign currency movements on NAV by hedging a portion of the expected dividends for the next four years coming from the portfolio, it would not be economical to fully immunise the portfolio against any NAV changes, due to foreign exchange movements.

F/X RATES	AS OF 31 DECEMBER 2013	AS OF 31 DECEMBER 2014
GBP/AUD	1.858	1.904
GBP/CAD	1.764	1.806
GBP/EUR	1.198	1.278
GBP/NOK	10.093	11.564
GBP/USD*	1.649	1.553

*The Company acquired the Ohio River Bridges project in the US in January 2014. Prior to this, the Company had no exposure to the US Dollar.

The Management Board continues to spend considerable time monitoring its hedging policy and believes it remains appropriate and cost-effective to continue with its four-year rolling hedge policy.

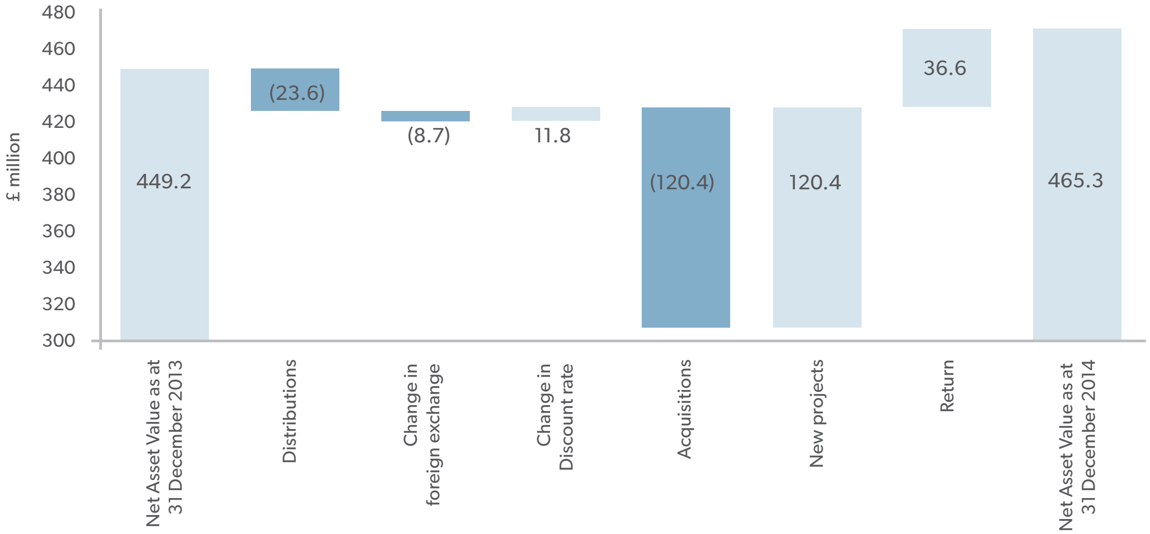
There will be periods where the global nature of the BBGI portfolio produces positive FX impacts on valuation and other times when the reverse is true. The downside risk is partially mitigated by having exposure to a number of different currencies including the Australian Dollar, Canadian Dollar, US Dollar, Euro and Norwegian Krone, all of which can provide diversification benefits. Such positive and negative impacts were experienced throughout the year, with the final rate on 31 December 2014 being the rate reported. Overall, the Management Board believes that with the current hedging program in place, the global nature of the portfolio produces benefits (geographic diversification, no undue reliance on one market, increased counterparty diversification, reduced competition outside of the UK, etc.) which are greater than the potential downsides.

Discount rates

The discount rate used for the individual assets ranges between 7.8% and 10.5%, and the weighted average basis is approximately 8.21%, which compares with an average discount rate of 8.39% used at 31 December 2013. The decrease in discount rates reflects primarily the movement of some assets from construction into the stable operational phase and the accompanying reduction in discount rates for those projects, and secondly the continued trend of increased competitive pressure on secondary market prices since the valuation in December 2013. More investment capital, both in the listed and unlisted infrastructure secondary market, is pursuing PPP/PFI assets; additionally, where auctions are used, these have become more professional and competitive. BBGI was able to avoid any such processes and has sourced all assets either from the pipeline agreement with Bilfinger, buying co-shareholder stakes or negotiated transactions.

The discount rate used for individual project entities is based on our knowledge of the market, discussions with advisors and publicly available information on relevant transactions.

Investment Basis NAV movements in the 12 months to 31 December 2014



INVESTMENT BASIS NAV MOVEMENT 31 DECEMBER 2013 TO 31 DECEMBER 2014	£ MILLION
Net Asset Value at 31 December 2013	449.2
Distributions	(23.6)
Change in discount rate	11.8
Change in foreign exchange	(8.7)
Decrease in cash relating to acquisition of new assets[1]	(120.4)
New projects	120.4
Return[2]	36.6
Net Asset Valuation at 31 December 2014	465.3

[1] The acquisition price under investment basis uses the hedged Pounds Sterling cost of all acquisitions denominated in local currency. Under IFRS the acquisition cost is recorded at the exchange rate at the date of completion. Note also that the Investment Basis reflects the gross cash outflow to acquire the new assets, whereas under IFRS, certain distributions have been netted off against the gross cash outflow when determining the outflow for the acquisition of new assets.

[2] Return includes, among others, changes due to the benefit of further reduction in tax rates in the UK, net positive impact from inflation, augmentation income, other portfolio optimisations and unwinding of the discount.

Discount rates sensitivity

The following table shows the sensitivity of the Net Asset Value due to a change in the discount rate.

DISCOUNT RATE SENSITIVITY[1]	CHANGE IN NET ASSET VALUE 31 DECEMBER 2014
Increase by 1% to 9.21%	£(42.2) million, i.e. (9.1)%
Decrease by 1% to 7.21%	£49.5 million, i.e. 10.6%

[1] Based on the average discount rate of 8.21%.

Inflation sensitivity

The project cash flows are positively correlated with inflation (e.g. RPI or CPI). The table below demonstrates the effect of a change in inflation rates compared to the macroeconomic assumptions above.

INFLATION SENSITIVITY	CHANGE IN NET ASSET VALUE 31 DECEMBER 2014
Increase by 1% [1]	£31.3 million, i.e. 6.7%
Decrease by 1%[1]	£(29.9) million, i.e. (6.4)%

[1] Compared to the assumptions as set out in the macroeconomic assumptions table above from the end of 2015 onwards.

Foreign exchange sensitivity

FOREIGN EXCHANGE SENSITIVITY	CHANGE IN NET ASSET VALUE 31 DECEMBER 2014
Increase by 10%[1]	£(22.3) million, i.e. (4.8)%
Decrease by 10%[1]	£27.2 million, i.e. 5.8%

[1] Sensitivity in comparison to the assumptions as set out in the macroeconomic assumptions table above and taking into account the hedges in place, derived by applying a 10% increase or decrease to the rate GBP/foreign currency.

Deposit rate sensitivity

The project cash flows are correlated with the deposit rates. The table below demonstrates the effect of a change in deposit rates compared to the macroeconomic assumptions above.

DEPOSIT RATE SENSITIVITY	CHANGE IN NET ASSET VALUE 31 DECEMBER 2014
Increase by 1%[1]	£11.2 million, i.e. 2.4%
Decrease by 1%[1]	£(10.8) million, i.e. (2.3)%

[1] Sensitivity in comparison to the assumptions as set out in the macroeconomic assumptions table above.

Life-cycle costs sensitivity

Out of the 36 projects in the portfolio, 12 project companies retain the life-cycle obligations. The remaining 24 projects have this obligation passed down to the subcontractor. The table below demonstrates the impact of a change in life-cycle costs.

LIFE-CYCLE COSTS SENSITIVITY	CHANGE IN NET ASSET VALUE 31 DECEMBER 2014
Increase by 1%[1]	£(11.5) million, i.e. (2.5)%
Decrease by 1%[1]	£10.2 million, i.e. 2.2%

[1] Sensitivity applied to the 12 projects retaining the lifecycle obligation, i.e. the obligation is not passed down to the sub-contractor. These projects represent 52% of the total portfolio value as at 31 December 2014.

The Management and Supervisory Boards have approved the net asset value calculation on an Investment Basis as at 31 December 2014.

Right: The Malling School,
Kent, UK

Below: Golden Ears Bridge,
BC, Canada

FINANCIAL RESULTS

The financial statements of BBGI for the year ended 31 December 2014 are on pages 62 to 128.

BASIS OF ACCOUNTING

The Company has prepared its financial statements under IFRS. In accordance with IFRS 10, IFRS 12 and IAS 27 the Company (an Investment Entity) does not consolidate certain subsidiaries, in a similar manner to the Company's pro forma investment basis tables which continue to be included in this section of the Report of the Management Board. As a result the Company no longer consolidates on a line-by-line basis its investments in PPP assets that are subsidiaries, but instead recognises them as investments at fair value through profit or loss.

INCOME AND COSTS

Pro forma Income Statement

	Year ended 31 Dec 14 £ million	Year ended 31 Dec 13 £ million
Fair value movements	46.4	25.4
Other income	0.6	1.5
Total profit before corporate costs	47.0	26.9
Corporate costs (excluding income tax) [1]	(6.7)	(6.4)
Net earnings before taxes	40.3	20.5
Other expenses	(0.5)	(1.4)
Income tax	(0.7)	(0.3)
Net Earnings	39.1	18.8
Basic earnings per share (pence)	9.18	7.25

[1] Includes non-recoverable VAT

Total Profit Before Corporate Costs has increased by 75% to £47.0 million (2013: £26.9 million). The fair value movements are largely driven by unwinding of discount, a decrease in discount rates, project-level cost optimisations and revised tax rates in the UK.

Net earnings have increased by 108% to £39.1 million (2013: £18.8 million). On a per share basis, this equates to an increase of 26.6% to 9.18 pence per share (2013: 7.25 pence per share).

DID YOU KNOW...?

BBGI

... provides a safe learning environment for more that 35,000 pupils to acquire new skills and knowledge

... oversees more than 1,250 lane kilometres of roadways which accommodate approximately 300,000 vehicles per day

Group-Level Corporate Cost Analysis

The table below is prepared on an accruals basis.

Corporate costs	Year ended 31 Dec 14 £ million	Year ended 31 Dec 13 £ million
Interest expense and other finance cost [1]	1.0	0.5
Staff costs [2]	3.1	2.0
Fees to non-executive directors	0.1	0.1
Professional fees	0.7	0.7
Office and administration	1.1	0.9
Acquisition-related costs	0.4	1.9
Taxes (including non-recoverable VAT)	1.0	0.6
Corporate costs	7.4	6.7

[1] The increase in interest and other finance costs is for the most part due to the larger amount drawn on the corporate credit facility throughout the year ended 31 December 2014 in comparison to the amount drawn in 2013.

[2] The Company is an internally managed AIF with no fees payable to external managers. Further detail of staff costs is provided in the Remuneration section, starting on page 46.

Ongoing Charges

The "Ongoing Charges" ratio was prepared in accordance with the AIC-recommended methodology. The ratio represents the reduction in shareholder returns as a result of recurring operational expenses incurred in managing BBGI.

The Company is internally managed and as such is not subject to performance fees or acquisition-related fees.

Ongoing Charges	2014 £ million	2013 £ million
Ongoing Charges	4.5	3.3
Average undiluted net asset value	456.9	298.1
Ongoing Charges (%)	**0.98%**	**1.11%**

For the year ended 31 December 2014 certain non-recurring costs have been excluded from the Ongoing Charges, most notably acquisition-related costs of £0.8 million (inclusive of VAT of £0.1 million), taxes of £0.7 million and finance costs of £1.0 million.

The Ongoing Charges ratio was calculated using the AIC methodology and excludes all non-recurring costs, i.e. costs of acquisition/disposal of investments, financing charges and gains/losses arising in investments. The Ongoing Charges include an accrual for the Short-Term Incentive Plan ("STIP")/bonuses and the Long-Term Incentive Plan ("LTIP").

The 2014 charges also include an annualised recurring cost for AIFM law compliance.

BALANCE SHEET

Pro forma Balance Sheet

	31 Dec 14			31 Dec 13		
	Investment Basis £ million	Adjust £ million	Consolidated IFRS £ million	Investment Basis £ million	Adjust £ million	Consolidated IFRS £ million
Investments at fair value	454.9	-	454.9	324.1	-	324.1
Adjustments to investments	0.3	-	0.3	0.7	-	0.7
Other assets and liabilities (net)	(2.6)	(0.2)	(2.8)	(1.9)	0.2	(1.7)
Net cash/(borrowings)	12.7	0.1	12.8	126.3	-	126.3
Fair value of derivative financial instruments [1]	-	1.1	1.1	-	1.3	1.3
Net assets attributable to ordinary shares	465.3	1.0	466.3	449.2	1.5	450.7

[1] Under IFRS, the forward currency contracts are presented at fair value.

Summary net corporate cash flow

Cash received from the portfolio of investments during the reporting period was by way of distributions including dividends, interest payments, capital and principal repayments amounting to £33 million. These distributions are treated as a transfer from portfolio value to net cash at the Group level. After deducting cash outflow for Group-level costs, including those costs generated from operating activities and net finance costs, the net cash receipts for the period were £26.9 million.

The table below summarises the cash received by the holding companies from the investments net of the cash outflows for the Group level corporate costs.

	Year ended 31 Dec 14 £ million	Year ended 31 Dec 13 £ million
Distributions from investments	33.0	17.3
Net cash outflow from operating activities before finance costs [1]	(5.6)	(3.6)
Cash outflow from finance cost – net	(0.5)	(0.2)
Net cash flow	26.9	13.5

[1] Cash outflow resulting from all Group level corporate costs paid during the year.

Three-year comparative of Investment Basis NAV

	2014	2013	2012
Investment Basis NAV (millions)	465.29	449.25	220.34
Investment Basis NAV per share (pence)	109.2	105.6	103.5

The Company did not complete any further capital raise in 2014 but did experience further NAV growth. The published NAV increased by 3.57% to £465.29 at 31 December 2014 (2013: £449.25 million). This equates to a growth in NAV per share of 3.49% to 109.2 pence at 31 December 2014 (2013: 105.6 pence).

Financing

Tap issue

The Company has the ability to issue up to 10% of its issued share capital via tap issues in order to finance further acquisitions. The Company does not use structural gearing.

Credit facility

In July 2012 the Company entered into a three-year £35 million revolving credit facility and letter of credit option with three lenders (The Royal Bank of Scotland plc, National Australia Bank Limited and KfW IPEX-Bank GmbH) to finance acquisitions, to provide letters of credit for outstanding equity obligations and for working capital purposes. The arrangement fee was 1.5% and the margins are 2.25% over LIBOR when loan to value is less than 25%, and 2.75% over LIBOR when loan to value is greater than or equal to 25%. The commitment fee is 1.00% of the available commitment per annum.

As of 31 December 2014 £1.3 million was available to be drawn down. The Company has utilised £21 million of the facility to provide three letters of credit.

At 31 December 2014 the Company was not in breach of any of the covenants under the credit facility.

In accordance with the AIC Code of Corporate Governance Principle 21, the consequences of a material breach of the borrowing covenants are stated below. On and at any time after the occurrence of an event of default which is continuing the agent may, and shall, if so directed by the majority lenders:

a) Cancel the total commitments
b) Declare that all or part of the amounts drawn, together with accrued interest, and all other amounts accrued or outstanding under the agreement be immediately due and payable
c) Declare that all or part of the drawn amounts be payable on demand, at which time they shall immediately become payable on demand by the agent on the instructions of the majority lenders
d) Declare that cash cover in respect of each letter of credit is immediately due and payable
e) Declare that cash cover in respect of each letter of credit is payable on demand at which time it shall immediately become due and payable on demand by the agent on the instructions of the majority lenders
f) Exercise or direct the security agent to exercise any or all of its rights, remedies, powers or discretions under the agreement

Refinancing of corporate credit facility (Post-balance sheet event)

In January 2015 the Company secured a new three year Revolving Credit Facility of £80 million from ING Bank and KfW IPEX-Bank. BBGI retains the flexibility to consider larger transactions by virtue of having structured a further £100 million incremental accordion tranche, for which no commitment fees are paid, which allows it to increase the facility to £180 million, at BBGI's option. This facility replaces the £35 million facility with Royal Bank of Scotland, National Australia Bank and KfW IPEX-Bank, which was due to expire in July 2015.

The new facility will be used primarily to fund acquisitions and provide letters of credit for investment obligations, and the intention will be to repay the facility from time to time through equity fundraisings.

The term of the facility is three years, expiring in January 2018. The borrowing margin has decreased from 225 basis points (bps) under the old facility to 185 bps over LIBOR under the new facility.

The larger facility gives BBGI the ability to complete larger portfolio transactions or acquisitions from multiple vendors very quickly. The revolving facility can be repaid through a future equity issue which is more cost-efficient for investors. This new credit facility will support the continued growth of the business.

Project refinancing

Apart from the Royal Women's Hospital and the Northern Territory Secure Facility, the individual PPP/PFI projects in the portfolio all have long-term amortising debt in place which does not need to be refinanced. The Royal Women's Hospital has one tranche of debt which needs to be refinanced between 2017 and 2021. The Northern Territory Secure Facility asset has a refinancing need in 2016 when the senior debt facilities expire.

Women's College Hospital has long-term amortising debt in place, but it is expected that this will be refinanced sometime after construction completion in March 2016 and before July 2019 when there is an increase in the lending margin and a cash sweep in favour of the lenders, both of which act as an incentive to encourage refinancing. The valuation used for Women's College Hospital therefore assumes that the project will be refinanced during this period.

As at 31 December 2014, the weighted average PPP project concession length remaining was 24.2 years and the weighted average portfolio debt tenor was 21.3 years. BBGI is not aware of any recourse to the Company for debt financing at the project entity level.

Status for taxation

The Company is not liable for any Luxembourg tax on profits or income, nor are distributions paid by the Company subject to any Luxembourg withholding tax. The Company is, however, liable to a subscription tax of 0.05% per annum of its net asset value, such tax being paid quarterly on the basis of the value of the aggregate net assets of the Company at the end of the relevant calendar quarter. No stamp duty or other tax is payable in Luxembourg on the issues of Shares.

No Luxembourg tax is payable on the realised capital appreciation of the assets of the Company.

The Company continues to monitor the OECD's Base Erosion and Profit Shifting (BEPS) project and any potential impact it may have on the sector. The BEPS project is still at consultation stage and as a result it is too early to determine the effect it could have, if any, on the Company's cash flows if implemented.

Going concern basis of accounting

The Management Board has examined significant areas of possible financial risk including cash and cash requirements and has considered the forthcoming continuation vote. It has not identified any material uncertainties which would cast significant doubt on the Company's ability to continue as a going concern for a period of not less than 12 months from the date of approval of the financial statements. The Management Board has satisfied itself that the Company has adequate resources to continue in operational existence for the foreseeable future. After due consideration, the Management Board believes it is appropriate to adopt the going concern basis in preparing the financial statements. Please see note 2 to the financial statements.

Victoria Prisons,
Australia

MARKET DEVELOPMENT

BBGI's growth strategy in the current market

In a low interest rate environment, PPP/PFI assets with stable, predictable, inflation-linked cash flows derived from creditworthy government counterparties are seen as an attractive investment proposition by many investors. As a result, there have been several new market entrants who are aggressively bidding on the limited supply of PPP/PFI product and causing prices to increase.

The secondary market for social and transport infrastructure is expected to continue to remain very competitive throughout 2015. As a result, discount rates are expected to continue to tighten in the sector, with an expected corresponding positive effect on the valuation of our existing assets.

While BBGI should benefit, as increased pressure on pricing may warrant an increase in valuation of the existing portfolio, it also creates an environment where the potential to overpay for new assets remains high. In this increasingly competitive environment, vendors are requiring prospective purchasers to price in life-cycle savings, refinancing gains, aggressive tax structures, portfolio efficiencies and other upsides. The result is that the margin for error has decreased and it is increasingly difficult to find acquisitions that will be accretive to shareholders.

BBGI followed a path of disciplined growth in 2014 and will be selective and surgical in its approach going forward and may buy assets on an opportunistic basis. Following this principle, BBGI declined to bid on several secondary market transactions, as they were not expected to be accretive for shareholders. The Management Board believe that this approach is in the best interest of shareholders and ultimately the Company avoids incurring costs related to unsuccessful bids. Due to the internal management structure, the interests of the management of BBGI and its shareholders are aligned and management is not incentivised to grow the Company to the detriment of its return targets.

Despite the increasingly competitive market in 2014, the Management Board completed the acquisition of 19 separate interests in new and existing projects from a variety of parties for total consideration of approximately £120.4 million. These acquisitions were done on favourable terms and were accretive.

A key component of our growth strategy to date has been to consider opportunities in creditworthy countries outside the UK. Often the competition is not quite as intense, and more attractive pricing and terms can be obtained. This approach will continue in 2015.

Another key component of our growth strategy will be to consider projects in the bidding/construction stage, as we believe the pricing on construction projects is more attractive on a risk-adjusted basis. Often, the competition for construction assets is less intense as some investors require current yield, do not have sufficient and adequate asset management staff to oversee construction assets, or have mandates that restrict investment at this stage.

The construction risk on PPP/PFI projects is described in the Risk and Risk Management section of this report.

The Management Board expect it will be able to acquire construction assets at higher discount rates during the construction stage and will be well positioned to realise the potential value uplift when the assets become operational. In addition, projects acquired at this stage often have pre-emption rights which can facilitate further investment on favourable terms.

In 2014, the Management Board oversaw the successful transition of two projects from construction phase into the operational phase. The Management Board further expects that two more projects will transition into the operational phase in 2015. The Management Board is actively looking to replenish some of this construction stage exposure by pursuing select primary projects at the bidding phase.

BBGI is part of a consortium that was shortlisted for the North Commuter Parkway and Traffic Bridge Project, a primary P3 development in the city of Saskatoon, Canada. Three teams have been shortlisted from seven applicants. This represents an exciting opportunity for BBGI and could provide an attractive alternative to only acquiring assets in the secondary market. BBGI intends to pursue the strategy further and will selectively consider development opportunities so long as, in aggregate, construction assets remain below 25% of the portfolio and they do not compromise the Company's ability to satisfy its dividend targets.

We are committed to maintaining our pricing discipline in 2015 regardless of whether we are considering assets in construction or in operation. We will continue to focus on our core markets in Australia, Canada, the US, the UK, and Germany, but will also look to expand in other creditworthy European countries.

UK

The UK PPP/PFI market is considered one of the most mature and robust in the world. Over 725 PFI projects delivering investments of over £57 billion have been signed since 1992. As a result, we expect it will continue to be the largest source of secondary market transactions in principle.

The secondary market in the UK still appears to be the most active market globally, although more equity investors are chasing a similar or reduced number of transactions. This appears to have resulted in a trend of lower discount rates for stable mature secondary projects.

The outlook for the UK primary PFI/PPP market is subdued. The 2014–15 projected capital spending by the private sector under PFI contracts is £2 billion and the projected capital spending for 2015–16 onwards is £2.9 billion.

BBGI will continue to participate cautiously and selectively in auctions but will also actively look for negotiated transactions. Our focus will be on smaller, more opportunistic investments where the competition is less intense.

Canada & USA

Canada has one of the most mature and stable P3 markets in the world. The country, with over 150 deals to have reached financial close, is the world's second most prolific P3 market, behind the UK. Half a dozen provinces, approximately 15-plus municipalities and the federal government are the major drivers of the market.

Over the years, Canada's PPP market landscape has evolved considerably. Provincial bodies such as Infrastructure Ontario, Partnerships BC, Alberta Infrastructure, Partnerships New Brunswick and Société Québécoise des Infrastructures have, historically, been focused on social infrastructure, particularly within the healthcare sector. The country's long and positive experience with PPPs and the maturity of the marketplace has prompted many governments (federal, provincial and municipal) to pursue larger transportation projects in 2014, with more to come in 2015.

Right: Ohio River Bridges – East End Crossing, USA

Below: Lagan College, UK

While Canada has seen significant movements in terms of transportation infrastructure, there is still a robust pipeline of small and mid-sized social infrastructure projects. These factors have combined to establish Canada as one of the world's most significant PPP markets in both volume and capital size of transactions.

The secondary market has great potential throughout Canada, considering that 138 deals have reached financial close since 2004. The Canadian secondary market is expected to be active in 2015 as projects developed over the last couple of years come into operations and may be offered for sale. With six projects in Canada, BBGI is a well-known market participant and has very good exposure to deal flow.

The future is bright for the US PPP market. The USA represents a potentially vast infrastructure market with figures of USD 2.32 trillion quoted as the level of infrastructure required over the next five years.

The US PPP market has diversified beyond transportation infrastructure to include a number of social and water-oriented projects as well.

The US has seen a dramatic increase in the number and diversity of PPP projects in recent years. Currently, there are 16 high-profile transactions in procurement and, as a result, more than twice as many PPPs could reach financial close in 2015 than in 2014.

Having completed its first investment in the US in January 2014, BBGI is familiar with the nuances of this market and will look to expand its presence, should attractive investment opportunities become available.

Continental Europe

The market differs from country to country quite significantly.

Greenfield infrastructure procurement was particularly strong during the year in countries which traditionally have had only smallish pipelines. While procurement was buoyant in the Netherlands, Turkey, Scotland and Ireland, it was less so in France and Germany.

The Netherlands, Scandinavia, Belgium and Slovakia are expected to continue on the path to procure infrastructure projects via the PPP route. These are some of the markets which are expected to have the greatest activity in Europe.

BBGI currently does not focus on Southern and much of Eastern Europe, given the weak credit ratings of countries in these areas.

Australia

Australia is considered a strong market for PPP investment, as it enjoys a stable economy and a growing popularity of PPP models among different states.

New South Wales ("NSW") and Victoria have been responsible for procuring the majority of Australian PPPs. Of the 131 contracted PPPs to date, NSW has closed 32 deals and Victoria 46. Over the past three years, states including Queensland and Western Australia have also successfully utilised PPP structure, and the federal government has closed nine PPPs.

Within the PPP pipeline, rail and light rail transactions make up the bulk of the projects – including the North West Rail Link OTS, Cranbourne-Pakenham Rail Corridor PPP and the Sydney Light Rail project. In addition, Sydney Rapid Transit, Canberra Light Rail and Newcastle Light Rail are likely to utilise PPP delivery.

BBGI has three large operational assets in Australia and is widely viewed as one of the more active secondary investors in the market. We will continue to monitor the market and are hopeful that some select opportunities may emerge in 2015.

In summary, the Company is actively pursuing acquisitions from third parties in its core markets. BBGI has a reasonable pipeline of opportunities which are being considered. BBGI will continue to remain extremely focused on maintaining pricing discipline and being selective.

DID YOU KNOW…?

BBGI

… provides vital healthcare infrastructure for more than 1.2 million patients each year who visit the 35 hospitals and medical centres within BBGI's portfolio

ADMINISTRATION

Incorporation and administration

The ordinary shares were created in accordance with Luxembourg law and conform to the regulations made thereunder, have all necessary statutory and other consents, and are duly authorised according to, and operate in conformity with, the Articles of Incorporation.

Articles of incorporation

The Articles of Incorporation were approved and formalised before a Luxembourg notary public on 24 November 2011. The Articles are filed with the Luxembourg Registre de Commerce et des Sociétés and are published in the Mémorial. The Articles may be amended in accordance with the rules set out in article 32 of the Articles.

A copy of the Articles is available for inspection at the Company's registered offices during normal business hours.

Directors' and Officers' liability insurance

The Company has taken out Directors' and Officers' Liability Insurance on behalf of the Directors of the Boards at the expense of the Company.

Donations

The Company made no political donations during the year. Total charitable donations for the year did not exceed £500.

Material contracts

During the year ended 31 December 2014, as required under the AIFMD, the following service contracts were entered into:

- Depository Bank and Paying Agent Agreement: RBC Investor Services Bank S.A.
- Service Agreement as Compliance Officer: The ICE Breakers S.A.
- Service Agreement as Internal Auditor: Grant Thornton ABAX Consulting
- Service Agreement for Risk Management Services: Grant Thornton ABAX Investment Services

GOVERNANCE

Introduction

The Company is internally managed with a two-tier governance structure that comprises a Supervisory Board and a Management Board (together, the "Boards"), with the responsibilities of each as indicated in this report.

The Company is regulated by the CSSF under Part II of Luxembourg Law of 17 December 2010 on undertakings for collective investments and is subject to the Luxembourg Law of 12 July 2013 on Alternative Investment Fund Managers ("AIFM Law") that implemented the EU Alternative Investment Fund Managers Directive ("AIFMD") into national legislation.

The Boards recognise the importance of a strong corporate governance culture and have put in place a framework for corporate governance which they believe is appropriate for the Company. BBGI is a member of the Association of Investment Companies (the "AIC"). As such, it reports against the AIC Code of Corporate Governance (the "AIC Code"), which principles and recommendations are carefully considered, and follows the AIC's Corporate Governance Guide for Investment Companies (the "AIC Guide").

The applicable version of the AIC Code (February 2013), as explained by the AIC Guide, addresses all the principles set out in the 2012 edition of the UK Corporate Governance Code (the "UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company. A revised version of the UK Corporate Governance Code was published during the year under review; for those companies that follow this code, it will apply to reporting periods beginning on or after 1 October 2014. As an AIC member; however, the Company has followed the February 2013 AIC Code and Guide for the 2014 reporting period. The Company has worked throughout the year with its company secretary in order to ensure it complies with the AIC Code, and where it does not, to explain why. The Boards consider that reporting against the AIC Code, and by reference to the AIC Guide (which incorporates the 2012 UK Code), provides appropriate information to shareholders.

AIFM

During the year under review, the Company applied to, and received authorisation from, the CSSF to act as an authorised Alternative Investment Fund Manager ("AIFM") with effect from 7 October 2014. Being so authorised, the Company is now subject to increased regulatory supervision from the CSSF. Having completed all key engagements required for compliance with the AIFM Law, the Company expects a recurring cost of compliance of approximately £150,000 per annum.

During the year under review there have been no material changes in respect to Art. 20 Para. 2(d) of the AIFM Law which would warrant further disclosure to investors.

Delegated functions

Amongst other requirements, the Company is required under the AIFM Law to have dedicated Risk Management (to include portfolio management), Compliance, and Internal Audit functions, each of which is required to be both functionally and hierarchically separate from the functions of the operating units. Accordingly, the following Third-Party Service Providers, who are experts in their respective fields, have been appointed to these roles:

Compliance:	The ICE Breakers S.A.
Internal Audit:	Grant Thornton ABAX Consulting
Risk Management:	Grant Thornton ABAX Investment Services

Notwithstanding these appointments, the Company retains overall responsibility for the correct and effective operation of the delegated functions. Accordingly, the members of the Management Board have been appointed as Designated Board Members ("DBMs") with oversight and control responsibilities for their respective functions.

Compliance

The responsibilities of the Compliance Officer are to establish the Company's compliance risk matrix, its compliance plan and the required documents necessary to perform the monitoring duties, and then to ensure the effective operation of the Company's compliance department and the proper performance of the plan.

Internal Audit

The Management Board is responsible for establishing and documenting in writing the scope of the Company's internal control system to ensure that, amongst other things, the Company is able to operate effectively, comply with Statute and Regulation, business objectives and internal policies and procedures, and safeguard the Company's assets. The Internal Auditor is responsible for providing the Management Board with an independent review of the internal control system in place, and report deficiencies of these controls as well as suggest appropriate action if so required.

Risk Manager

The appointed Risk Manager reports directly to the DBM within the framework of the permanent risk management function which has been organised to ensure the Risk Manager has the appropriate authority and access to all relevant information necessary to fulfil its duties. This includes *inter alia:* advising on the Company's risk profile, changes in the current risk "universe" and new/potential future risks, and the provision of updates and ongoing assessments; formalising the risk management process; identifying, assessing and monitoring key operational risks faced by the Company; and provision of quarterly risk assessment updates.

Internal Controls – General

The Management Board is responsible for setting up the Company's system of internal control, and the Supervisory Board for reviewing its effectiveness. The Management Board has therefore established an ongoing process designed to meet the particular needs of the Company in managing the risks to which it is exposed.

In addition to the above, at each quarterly meeting the Supervisory Board monitors the Company's investment performance against its stated objective, and reviews its activities to ensure that the Management Board is adhering to the investment policy and guidelines. During these meetings, the Management Board (which has agreed clearly defined investment criteria, returns targets and risk appetite) reports in detail on these issues including operating performance, cash projections, and investment valuations. In addition, the company secretary reports in respect of compliance matters.

The Company recognises that control systems can only seek to manage and mititgate the risks of failure to achieve business objectives – they cannot eliminate them. By their very nature, these procedures are not able to provide absolute assurance against material misstatement or loss.

RISK AND RISK MANAGEMENT

The Boards consider the process of identifying, evaluating and managing the significant risks faced by the Company on an ongoing basis. The Management Board has established internal controls to manage these risks by reference to a risk register, and reviews and monitors this register and the various risks on at least a quarterly basis. The Supervisory Board also reviews the key risks affecting the Company at each scheduled Board meeting, by reference to said risk register. If a new risk develops or the likelihood of a risk occurring increases, where appropriate and to the extent possible, a mitigation strategy is developed and implemented, together with enhanced monitoring. The Audit Committee also reviews the effectiveness of the Company's risk management and internal control systems at least annually.

The Management Board set out the material risks relating to the Company's portfolio as at 6 December 2011 in the Company's IPO prospectus, and updated them in the two prospectuses that followed dated 26 June 2013 and 19 November 2013; all of these prospectuses are available on the Company's website. General areas of risk and the processes are set out below.

AREAS OF RISK	**RISK FACTOR**
Economic, external and financial	• Currency fluctuation, inflation rate and interest rate movement and general economic impact • Political and regulatory – changes in law, policies, directives and practice • Tax and accounting – changes in law, policies and practice • Liquidity and finance – no or limited access to debt or equity financing • Interest rates
Operational/asset related	• Underperformance or performance failures of the project entity, subcontractor or service providers • Termination of projects • Financial modelling • Bribery, fraud, corruption • Refinancing risk • Construction
Strategic and management	• Share price discount or premium to NAV • Poor project selection – overpaying for assets • Due diligence not assessing risks adequately • Concentration risk – over-reliance on one jurisdiction, public client or service provider • Counterparty risk – counterparty's ability to pay • Underperformance of Management Board, key man risk • Bribery, fraud, corruption

Economic, external and financial risks

- The Company has investments in project entities and business activities in different jurisdictions and external, economic and financial factors have the capacity to impact these. In particular, the performance of the investments can be affected by changes in macroeconomic factors such as foreign exchange, inflation rates and interest rates.

- A significant proportion of the Company's underlying investments are denominated in currencies other than Pounds Sterling. The Company maintains its financial statements, prepares the valuation and pays distributions in Pounds Sterling. Accordingly, fluctuations in exchange rates between Pounds Sterling and the relevant local currencies will directly affect the value of the Company's underlying investments, the distributions and the ultimate rate of return realised by investors. The Company has implemented currency hedging arrangements in respect of the non-Sterling investments denominated in AUD, CAD, EUR, NOK and USD for a period of four years in order to mitigate some of this risk.

- The revenues and expenditure of project entities developed under PPP/PFI are frequently partly or wholly subject to indexation. From a financial modelling perspective, an assumption is usually made that inflation will increase at a long-term rate (which may vary depending on country and prevailing inflation forecasts). The effect on investment returns if inflation exceeds or falls below the original projections for this long-term rate is dependent on the nature of the underlying project earnings, the extent to which the project entity's costs are affected by inflation and any unitary charge indexation provisions agreed with the client on any project. The Company's ability to meet targets and its investment objectives may be adversely or positively affected by higher or lower than expected inflation. There is also a risk that general operating costs may be higher than forecast in the financial model. This may *inter alia* be due to inflation. Project entities typically mitigate that risk to some extent by seeking to match the indexation of the revenues to the indexation of the operational cost.

- The project entities typically have some cash reserves and deposits. From a financial modelling perspective, an assumption is usually made that the deposits can be placed at a forecast rate which varies depending on country and historical long-term averages. The effect on investment returns if deposit rates exceed or fall below the original projections for this long-term rate is dependent on the amount of deposits.

- Different laws and regulations apply within the jurisdictions where the Company and the project entities are located, and the Company and investments in such countries may be affected by changes in law, tax and accounting regimes, directives, political climate, and other changes that cannot be easily foreseen. The underlying financial models of project entities and the business model of the Company are based on assumptions regarding the prevailing tax, accounting and legal frameworks. Any change in those assumptions could affect the Company's ability to meet targets and its investment objectives. Where possible, this will be mitigated, but there may be instances where this will not be possible. The Company and the service providers for the underlying project entities continually monitor any potential or actual changes.

- To the extent that the Company does not have cash reserves pending investment, the Company expects to bridge finance further investments by way of the credit facility or by issuing additional equity. Although the Company has a credit facility in place since July 2012 and refinanced in January 2015, there can be no guarantee that this will always be the case or that it will be able to issue further shares in the market.

- The Company's debt facility has a floating rate which is not hedged. The Company's performance may be affected by changes in interest rates. The underlying project entities have sought to hedge substantially all their floating rate interest liabilities against changes in underlying interest rates.

Operational/asset-related risks

- Although it is intended that the main construction and operational risks will be passed on by the project entities contractually to the relevant subcontractor or service providers, or covered by insurance (including any penalty payments or deductions to the client), there is some risk that the anticipated returns of the project entities will be adversely affected by underperformance or performance failures.

- To the extent that the actual costs incurred by a project entity differ from the forecast costs, and cannot be passed on to subcontractors, e.g. insurance cost, the expected investment returns may be adversely affected.

- During the life of an investment, components of the project assets (such as asphalt in the case of roads and elevators, and roofs and air-handling plants in the case of buildings) are likely to need *inter alia* to be replaced or undergo a major refurbishment. The timing and costs of such replacements or refurbishments is forecast, modelled and provided for by each project entity, based upon manufacturers' data and warranties, and specialist advisors are usually retained by the project entities to assist in such forecasting of life-cycle timings, scope of work and costs. However, various factors such as shorter than anticipated asset lifespans, vandalism, or underestimated costs and/or inflation that is higher than forecast may result in life-cycle costs being higher than the financial model projections or occurring earlier than projected. The contractual matrix for the current portfolio is intended to pass this risk down to subcontractors (in particular for the social infrastructure projects), but where this risk is retained (generally on transport projects) or where it is not otherwise effectively passed down to subcontractors, any cost implication will generally be borne by the affected project entities.

- If there is a subcontractor service failure or subcontractor insolvency which is sufficiently serious to cause a project entity to terminate or to be required by the client to terminate a subcontract, or the relevant subcontract expires prior to the end of the concession period (which is the case on some road projects), there may be a loss of revenue during the time taken to find a replacement subcontractor. In addition, the replacement subcontractor may levy a surcharge to assume the subcontract or charge more to provide the services. Despite available securities such as parent company guarantees and letters of credit, these losses and costs may not be recoverable from the defaulting subcontractor.

- The client is generally given rights of termination under PPP/PFI contractual agreements. The compensation (if any) which the project entity is entitled to receive on termination will depend on the reason for termination and the terms of the project agreement. In some instances, the compensation will not include amounts designed specifically to repay the equity investment. Where termination is for client default or the client voluntarily terminates the project agreement without fault on either side, the compensation is likely to extend to some of the lost equity returns, although this cannot be guaranteed. The Company has currently no indication that any of the clients intend to voluntarily terminate the agreement or of any potential client default.

- The costing of, and pricing for, infrastructure projects relies on large and detailed financial models. There is a risk that errors may be made in the assumptions, calculations or methodology used in a financial model. In such circumstances, the figures and/or the returns generated by the project entity may be different to those estimated or projected. The risk is mitigated for project entities where the models have been updated a number of times and/or operational model audits have been undertaken.

- Typically, the client will have the right to terminate the project agreement where the project entity or a shareholder or subcontractor (or one of their employees) has committed bribery, corruption or an other fraudulent act. In these circumstances, it is likely that the majority, if not all, of the investment will be lost. The Company has a compliance system in place and is not aware of any such acts which could trigger that risk.

- In some projects, a refinancing may be required to repay the project entity's obligations as they fall due. For the existing portfolio, in relation to senior debt financing, this applies to the Royal Women's Hospital project and only with respect to one of two tranches of bonds, which must be refinanced between 2017 and 2021, and Women's College Hospital where the bond expires in 2018 and in case no refinancing can be arranged, a cash sweep applies where all net operational cash will be used to repay the bond. Additionally, the Northern Territory Secure Facility asset has a refinancing risk in 2016 when the senior debt facilities expire. Where a project carries a requirement to refinance, there is a risk that such refinancing cannot be secured at the forecasted financing costs or at all. This could have an impact on the timing and/or amounts of distributions or other payments in respect of investment capital by such project entity. The Company believes that the current refinancing assumptions in the models are adequate.

Strategic and management risks

- The Company seeks to provide its shareholders with a minimum 5.76 pence per share per annum target dividend and a 7% to 8% IRR on the £1 IPO issue price based on long-term stable and contracted government-backed revenue streams which are inflation linked. The Company's portfolio value is prepared semi-annually by the Management Board in good faith; it is then independently reviewed by a professional valuer, and finally reviewed/audited by KPMG. However, there is a risk that the Company may fail to reach the return objectives. The ultimate realisation of the market value of an asset depends to a great extent on judgements, economic and other conditions beyond the control of the Company, and valuations do not necessarily represent the price at which an investment can be sold.

- Further investments intended to be made by the Company comprise interests in project entities which are not publicly traded or freely marketable and often subject to restrictions on transfer; such investments may, therefore, be difficult to value. This could lead to an overpayment for investments during an acquisition. The Company has internal processes in place which seek to minimise these risks through regular review of the peer group, discussions with advisors, regular external confirmation of the portfolio value, and the annual audit process.

- The due diligence process undertaken during an acquisition may not reveal all facts and circumstances relevant to a particular investment. The Company seeks to mitigate this risk where possible by a structured due diligence process, typically with the support of external advisors, market knowledge, site visits and protections in the acquisition agreements.

- A single subcontractor may be responsible for providing services to various project entities in which the Company will invest, and the Company has set no limit as to the number of project entities to which a single subcontractor may provide services. In such instances, the default or insolvency of such single subcontractor could adversely affect a number of the Company's investments. A similar situation may apply with respect to default, impairment or insolvency relating to financial counterparties, such as banks and insurance companies. Any credit support provided in respect of the performance of the relevant obligation may not be sufficient and may not respond at all. This could have a material adverse effect on the project entity concerned and might not only reduce financial returns but could adversely affect the Company's reputation.

  - Bilfinger Real Estate Asset Management (BREAM) is the day-to-day management service provider for the majority of these project entities and, as such, there is some concentration risk from this relationship.

- Where the project entities have made deposits with financial institutions, these are typically short or medium term. By monitoring the exposure across the portfolio, the Company seeks to mitigate any over-reliance on any single counterparty and ensure that these institutions have an acceptable credit rating.

- The concessions granted to project entities are predominantly granted by a variety of public sector clients in the UK, Canada, Australia, Germany, Norway and the US. Although the Management Board believes such public sector clients generally represent a low counterparty risk, the possibility of a default remains and has increased in recent years, and may vary from country to country. This risk could increase if the Company has one public sector client which is the counterparty to more than one investment. The Company is currently invested in the UK, Canada, Australia, Germany, Norway and the US, and has a wide range of public clients.

- To assist the Company in managing any share price premiums or discounts to NAV, the Company has the ability to make market purchases of up to 14.99% per annum of the ordinary shares in issue. In addition, a continuation vote is available to shareholders at the Company's forthcoming annual general meeting on 30 April 2015, and at the annual general meeting held every two years thereafter.

- The success of the Company will depend *inter alia* upon the skill and expertise of the Management Board and the individuals employed by BBGI Management HoldCo in identifying, selecting, acquiring and managing the investments. There is also no certainty that key investment professionals will continue to work for the Group for the long term.

- The Company and its business may be impacted by bribery, fraud and corruption. The Company has a compliance system in place and is not aware of any such acts which could trigger that risk.

REMUNERATION

Supervisory Board remuneration

The Supervisory Board members are the Company's Non-Executive Directors and are paid a fixed quarterly fee. These fees are considered annually by the Supervisory Board, acting as the Remuneration Committee, based on the advice and recommendations of the Management Board. No member of the Supervisory Board is entitled to vote on his own remuneration. Supervisory Board members are not entitled to any other fees, pension payments, incentive plans or any other form of compensation, with the exception of *ex gratia* fees such as those described below which are considered on a case-by-case basis.

The 2014 fee review concluded that an increase in the fees for the members of the Supervisory Board was appropriate because the Company has grown substantially since its IPO in 2011, increased regulation has significantly increased the responsibilities of the members, and fees had remained unchanged since then. The annual fee for the Chairman of the Supervisory Board was increased to £55,000 (2013: £45,000) and the annual fees for both the Senior Independent Director and the Chairman of the Audit Committee increased to £42,500 (2013: £32,500).

The aggregate fee for the members of the Supervisory Board during 2014 was £140,000 (2013: £181,703).The figure for 2013 included an amount of £11,703 paid to Thomas Toepfer who resigned from the Supervisory Board in May 2013 and was not replaced. The total fees for 2013 also included an *ex gratia* amount of £60,000 (£20,000 for each Director) for extra work involved in the two capital raises carried out during 2013.

MANAGEMENT AND STAFF REMUNERATION

Introduction

The Company believes that an appropriate remuneration programme for each Manager and member of staff plays an important role in achieving the short- and long-term business objectives that ultimately drive business success and alignment with long-term shareholder goals.

E18 Motorway, Norway

The level and structure of the remuneration to which Board members and employees of BBGI Management HoldCo are entitled are reviewed on an annual basis by the Supervisory Board acting as the Company's Remuneration Committee. During this process, appropriate benchmarking with comparable listed businesses is undertaken, with the intention of ensuring that the remuneration programme remains competitive. The Supervisory Board makes appropriate recommendations and the Management Board implements them. It should be noted that the annual review may not result in any change in the levels of remuneration.

Remuneration Programme Objectives

The objectives of the remuneration programme are to:

- Attract and retain highly qualified employees with a history of proven success.
- Align the interests of the Group's employees with Shareholders' interests, the execution of the Company's investment policy and fulfilment of the Company's investment objectives.
- Establish performance goals that, if met, are expected to improve long-term Shareholder value.
- Link compensation to performance goals and provide meaningful rewards for achieving them.

Under the programme, every employee of BBGI Management HoldCo benefits from an annual base salary payable monthly in arrears.

Management Board Remuneration

Each member of the Management Board receives an annual base salary payable monthly in arrears and participates in a long-term incentive plan ("LTIP"). In addition, Mr Schramm and Mr Ball participate in a short-term incentive plan ("STIP") and Mr Denny can receive an annual bonus. No member receives an additional fee for acting as a member of the Management Board.

Management Board Contracts

Since the IPO in December 2011, the Company has grown substantially and the Supervisory Board determined that a detailed external review of the remuneration of Mr Schramm and Mr Ball was appropriate, in order to ensure that remuneration remained competitive. Accordingly, PwC (UK) was engaged to undertake the review, at a cost to the Company of £20,000. Subsequent to this review, new remuneration packages were agreed with Mr Schramm and Mr Ball.

Mr Schramm and Mr Ball: Service Contracts

BBGI Management HoldCo S.à r.l. has agreed separate service contracts with Mr Schramm and Mr Ball (each being a "service contract"). These contracts are on identical terms and conditions, save that payments to Mr Schramm are made in Euros and those to Mr Ball in Canadian Dollars. Following the PwC review, the Company amended the terms of each service contract as follows:

- Base salaries and car allowances were increased to competitive levels from May 2014.
- Threshold, Target and Maximum levels of Short-Term Bonus were increased to 50%, 100% and 125% of average salary respectively (previously 0%, 48% and 80%).
- Threshold Target and Maximum levels of LTIP awards were increased to 50%, 100% and 150% of salary at the date of grant (previously 50%, 100% and 100%).
- LTIPs granted after December 2014 will be satisfied in Company shares (previously all cash).
- A new expected shareholding of 150% of salary was set. This can be attained over five years.
- *Malus* clauses enabling unpaid bonuses to be withdrawn are included for both STIP and LTIP
- Notice periods to/from the company are aligned at 12 months from May 2016. Previously, the company needed to give 24 months' notice.

Mr Denny: Contract of Employment

BBGI Management HoldCo and Mr Denny entered into a contract of employment in February 2012, which is terminable on three months' written notice by either party.

From March 2015 onwards, both parties agreed to change from a Contract of Employment to a Management Contract. As a result, the notice period has now increased from three months to six months for each party.

Fixed remuneration

Following the 2014 review, the Pound Sterling equivalent of the combined annual base salaries (payable in Euros/ Canadian Dollars) for the members of the Management Board increased to £718,745 (2013: £545,552). In addition, both Mr Schramm and Mr Ball received a monthly car allowance during the year, amounting to £24,680 (2013: £24,934) and a supplementary annual payment of 5% of their salary to provide pension, retirement or similar benefits.

Short-Term Incentive Plan ("STIP") and Bonus

Under the STIP for Mr Ball and Mr Schramm, awards are subject to the achievement of predetermined performance objectives set by the Supervisory Board at the beginning of the relevant financial year. The maximum amount payable under the STIP is 125% of the relevant executive's annual salary, with a target performance to produce an entitlement of 100% of salary and a minimum performance threshold to produce 50%. For 2014 only, the relevant annual salary is the entitlement at the year-end. Otherwise, it is the average salary in the year.

The Supervisory Board is responsible for determining both whether the relevant performance objectives (which may be financial and non-financial) have been satisfied and the level of award under the STIP for the relevant year. If agreed, Awards will be paid after the accounts have been audited.

The maximum amount payable to Mr Denny as an annual bonus is EUR 50,000, with a target performance entitling him to EUR 45,000.

In respect of the financial year ended 2014, the combined amount accrued but not yet paid in respect of the 2014 STIP/annual bonus amounted to the Euro/Canadian Dollar equivalent of £628,761 (2013: £366,505).

Long-Term Incentive Plan ("LTIP")

Implementation of the proposed amendment of the LTIP to provide for the delivery of awards partly in cash and partly in shares, which was approved by shareholders at the Annual General Meeting on 30 April 2014, was delayed to take into account any proposed changes from the PwC review and the result of the AIFM authorisation process. The resulting changes to the LTIP will be tabled as a resolution for shareholder approval at the Company's Annual General Meeting in April 2015.

In February 2015, Mr Schramm and Mr Ball received the combined Euro/Canadian Dollar equivalent of £391,017 with respect to the LTIP award letter granted in 2011.

With respect to LTIP awards previously made to Mr Schramm and Mr Ball in 2012 and 2013, any payment will be calculated based on the achieved targets: the payment for achieving a TSR of 16.50% will be EUR 125,000/CAD 176,445 gross per year under the 2012 award and EUR 129,688/CAD 183,062 gross per year under the 2013 award; for achieving a TSR above 16.50% the award is to be determined by interpolation to a maximum amount of EUR 250,000/CAD 352,890 gross per year under the 2012 award and EUR 259,375/CAD 363,123 under the 2013 award, payable for an achieved TSR of approximately 25%. The award will be measured by reference to a threshold hurdle of a TSR of 16.5% achieved over the three-year return period, starting from the date of each individual annual award letter. Subject to satisfaction of the performance targets, these LTIP awards will be paid in cash.

With respect to Mr Schramm and Mr Ball, for the 2014 award, it is proposed that the maximum award that may be made under the LTIP is 150% of the relevant executive's base salary in that financial year, with a target award of 100% and a minimum threshold of 50%. Half of the LTIP target award will be measured by reference to total shareholder return ("TSR"). The other half of the award will be measured by reference to the percentage increase in the Company's net asset value per share ("NAV").

With respect to the LTIP award made to Mr Denny in 2014, any payment will be calculated based on the achieved TSR over the three-year period. A TSR of 16.5%, the threshold, will pay EUR 50,000; achieving a TSR of approx. 25% will earn the maximum amount of EUR 100,000. Interim achievements will be interpolated. The LTIP award will be paid in cash.

During the year under review, a combined Euro/Canadian Dollar equivalent of £586,852 was accrued against those LTIPs which had been awarded but had not yet vested.

As of 31 December 2014 the combined cumulative amount accrued but not yet paid to Mr Schramm, Mr Ball and Mr Denny with respect to the 2011, 2012, 2013 and 2014 award letters amounted to the Euro/Canadian Dollar equivalent of £978,091.

No loan has been granted to, nor any guarantee provided for the benefit of, any manager by BBGI Management HoldCo.

There are no family relationships between Mr Schramm, Mr Ball or Mr Denny.

At no time will Mr Schramm, Mr Ball or Mr Denny acquire or have options over any shares in BBGI Management HoldCo, which is and is intended to be wholly owned by the Company.

As at the date of this Annual Report, there are no amounts set aside, needing to be set aside or accrued by the Company to provide pension, retirement or similar benefits.

Obligations of Luxembourg authorised AIFMs according to article 12 of the AIFM Law and pursuant to annex II of the AIFM Law

General Requirements

The AIFM Law requires the disclosure of the total amount of remuneration for the financial year, divided into fixed and variable elements, paid by the AIFM to its staff (and any beneficiaries) and, in 2013, the European Securities and Markets Authority ("ESMA") published its final guidelines on sound remuneration policies under the AIFMD. These guidelines indicate that remuneration disclosures may be made on a 'proportional' basis and acknowledge that the application of proportionality may lead, exceptionally, to the 'disapplication' of some requirements, provided this is reconcilable with the risk profile, risk appetite and strategy of the AIFM and the AIFs it manages.

According to the guidelines, the different risk profiles and characteristics among AIFMs justify a proportionate implementation of the remuneration principles and, where a company chooses to disapply requirements, it must be able to explain the rationale to a competent authority. The principles that may be disapplied are:

1. The requirements on payout processes for all (or some) Identified Staff including:

    a. the payment of variable remuneration in instruments;
    b. retention periods;
    c. deferral requirements; or
    d. *ex post* incorporation of risk (also sometimes known as '*Malus* or clawback').

2. The requirement to establish a Remuneration Committee.

Finally, ESMA has stated that in the case of an existing AIFM with an accounting period ending on 31 December which submitted its application by 22 July 2014 and obtained its authorisation after that date, the AIFMD variable remuneration rules should apply to the calculation of payments relating to the 2015 accounting period.

The Company's position

The Company's final application for AIFM authorisation was submitted to the CSSF in June 2014. CSSF approval of the application and formal authorisation was received on 27 October 2014 but took effect on 7 October 2014.

As part of the AIFM authorisation application, the Company obtained the following derogations from the CSSF, on proportionate grounds, from three of the remuneration policy principles: i) to pay a substantial part of the variable remuneration in shares; ii) the *ex post* incorporation of risk for variable remuneration ('*Malus* or clawback'); and iii) to establish a Remuneration Committee. Accordingly, the Company has technically disapplied these three remuneration policy principles. However the Company has applied the spirit of the rules for the joint CEOs. LTIPs granted from December 2014 onwards will be satisfied in company shares. Furthermore, *Malus* clauses are included in their STIP and LTIP contracts. As mentioned above, the Supervisory Board acts as the company's Remuneration Committee.

Total Fixed and Variable Remuneration for the financial year

The total fixed remuneration paid to all members of staff (including the Management Board members) during the year under review was £1.54 million (2013: £1.25 million). The total variable remuneration accrued for all members of staff for the financial year ending 31 December 2014 was £1.37 million. The total variable remuneration paid to all members of staff for the financial year ending 31 December 2013 was £0.64 million.

THE BOARD OF DIRECTORS

Name	Function	Independence	Age	Original appointment	Next renewal date
SUPERVISORY BOARD					
David Richardson	Chairman, Supervisory Board	Independent	63	3 October 2011	30 April 2015
Colin Maltby	Senior Independent Director	Independent	64	3 October 2011	30 April 2015
Howard Myles	Director and Chairman of Audit Committee	Independent	65	3 October 2011	30 April 2015
MANAGEMENT BOARD					
Duncan Ball	Management Board Member	Not independent	49	5 October 2011	5 October 2015
Frank Schramm	Management Board Member	Not independent	46	5 October 2011	5 October 2015
Michael Denny	Management Board Member	Not independent	37	30 April 2013	30 April 2015

This table sets out the expiry dates of the current terms of the directors' appointments. All appointments may be renewed in accordance with the provisions of the Company's Articles.

Board members and other interests

Frank Schramm, Duncan Ball and Michael Denny, the members of the Management Board, are also BBGI Management HoldCo managers. Apart from Mr Schramm and Mr Ball, no other member had Service Contracts during the year under review. Subsequent to the year-end, Mr Denny changed from a Contract of Employment to a Management Contract.

No loan has been granted to, nor any guarantee provided for the benefit of, any director by the Company.

There are no family relationships between the members of the Boards. David Richardson, Colin Maltby and Howard Myles are all considered to be independent Board members as: (i) they have not been employees of the Company; (ii) have not had material business relationships with the Company; (iii) have not received performance-based remuneration from the Company; (iv) do not have family ties with any of the Company's advisors, directors or senior employees; (v) do not hold cross-directorships or have links with other directors through involvement on other companies; (vi) do not represent a significant shareholder; and (vii) have not served on the Board for more than nine years.

BOARD MEMBERS SHAREHOLDINGS

In thousands of shares	31 December 2014	% of issued share capital	31 December 2013
David Richardson	155	0.04	152
Colin Maltby	102	0.02	100
Frank Schramm	176	0.04	172
Duncan Ball	176	0.04	172
Michael Denny	36	0.01	36
	645	0.15	631

Board Diversity

The Boards have considered their diversity, as recommended by the AIC Code, along with the "Women on Boards" report of February 2011 (the "Davies Report") as supplemented in April 2013 and March 2014. They concur with the Davies Report and the AIC Code that Board appointments must always be made on merit; that boards should have a balance of relevant skills, experience, length of service and knowledge of the Company; and that Independent Directors should take the lead in the appointment of new Directors.

The Company is still early in its life and no new appointments have been made to either the Supervisory or the Management Board since its shares were first listed and admitted to trading on the London Stock Exchange. The Boards believe, however, that their present composition embodies an appropriate diversity of perspectives and relevant skills, qualifications and experience. As the Company matures, it may become relevant to seek greater diversity by length of service, gender, ethnicity, nationality or other criteria. However, the Boards remain committed to conducting any evaluation of prospective candidates, as of their own members, without discrimination on grounds of gender, age, nationality, ethnicity, faith or sexual orientation. Their overriding objective is to select members on merit with relevant and complementary skills to help the Company maximise value for shareholders.

MANAGEMENT BOARD

General

The Management Board is responsible for the day-to-day management of the Company, including administration, preparation of semi-annual valuations, the statutory financial statements, the management accounts, business plans, presenting results and information to shareholders, coordinating all service providers to the Group and giving the Supervisory Board general advice and feedback. The Management Board is responsible *inter alia* for undertaking the discretionary investment management of the Company's assets and those of the rest of the Group; it therefore carries out the function of investment manager. Accordingly the Company has not engaged an external investment manager.

The Management Board comprises three members, each contractually engaged by BBGI Management HoldCo, a subsidiary of the Company; therefore, none of them is deemed independent by AIC Code Principle 2. However, the Management Board functions are overseen by the Supervisory Board which itself meets the independence criteria set out in AIC Principle 2. This two-tier structure is not envisaged by the AIC Code. However, the Company considers that an independent Supervisory Board ensures the Company is compliant with AIC Code Principle 2.

The Company's Articles require that the Management Board members are appointed on an annual basis by the Supervisory Board, not by shareholders; in itself therefore, this does not meet the requirements of the AIC Code Principles 3 or 4, which require company shareholders to vote on the appointment/reappointment of Directors. However, as the Management Board carries out the role of an investment manager, the Supervisory Board deems it appropriate that the Management Board members are appointed and dismissed by the Supervisory Board on an annual basis. The members of the Supervisory Board themselves are elected (and may also be dismissed) by shareholders on an annual basis and therefore the Company considers that this does meet the requirements of Principles 3 and 4.

Performance evaluation and reappointment

As stated above, the Management Board carries out the functions of the Company's investment manager, and its members are appointed by the Supervisory Board for a period of one year renewable. Mr Ball and Mr Schramm were both originally appointed as members of the Management Board on 5 October 2011; their appointments were renewed for the first time with effect from 5 October 2012 and then again on the same date in 2013. Mr Denny was first appointed to the Management Board with effect from 30 April 2013 and his appointment renewed for the first time with effect from 30 April 2014.

During the year under review, the Supervisory Board conducted an evaluation of the performance of the Management Board and its members. It concluded that both the Management Board collectively, and its members individually, were operating effectively and efficiently, and the continued appointment of the individual members was in the best interests of the Company and its shareholders as a whole. Accordingly the Supervisory Board appointed Mr Ball and Mr Schramm as members of the Management Board for a further term of one year with effect from 5 October 2014. Mr Denny's appointment will be considered for renewal prior to 30 April 2015.

Attendance at Management Board meetings during the financial year ended 31 December 2014

Name	Scheduled meetings and attendance	Unscheduled meetings and attendance*
MANAGEMENT BOARD	**11**	**6**
Frank Schramm	11	6
Duncan Ball	11	4
Michael Denny	11	6

* From time to time, there are unscheduled meetings of the Management Board, most of which are called at short notice to approve documents previously discussed or of a technical nature. Due to the generally short notice given, not all members are able to attend.

SUPERVISORY BOARD

General

The Supervisory Board consists of three members who are all Non-Executive Directors, each of whom are considered to be independent.

In accordance with the Articles, all members of the Supervisory Board are elected for a period ending at the Annual General Meeting of the Company in April every year, at which time they are required to retire. They may, if they so wish, offer themselves for re-election by shareholders; however, reappointment is not automatic. Although the Company is not a member of the FTSE 350, the annual re-election requirement of the AIC Code Principle 3 is met by the Articles which provide for a more stringent process than that required for non-FTSE 350 companies.

The Supervisory Board believes that its members have an appropriate balance of skills and experience to enable them to fulfil their obligations. The Supervisory Board meets at least four times a year and between these formal meetings there is regular contact with the Management Board and the Company's brokers. The members of the Supervisory Board are kept fully informed of investment and financial controls, and other matters relevant to their remit. Both Supervisory and Management Board members also have access, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company. In the period under review, the Supervisory Board met five times. Attendance of individual Supervisory Board members can be found on page 53.

As previously mentioned, the Supervisory Board members have a breadth and diversity of experience relevant to the Company, and the Company believes that any future changes to the composition of the Supervisory Board can be managed without undue disruption. On appointment to the Supervisory Board, new members will be provided with an induction.

The Supervisory Board considers items laid out in the Notices and Agendas of meetings, which are formally circulated to its members in advance of the meeting as part of the Board papers; members may also request the addition of any agenda item they consider appropriate for Board discussion. At each meeting, the members are required to advise of any potential or actual conflicts of interest prior to discussion.

Annual performance evaluation

The Supervisory Board evaluates its performance and considers the term and independence of each member on an annual basis; for the year ended 31 December 2014, this process has now been completed. The evaluation performed comprised completion of a questionnaire followed by collation of all comments into a summary. The Supervisory Board considered the results of this evaluation process and agreed that the current composition of both the Supervisory Board and its Audit Committee reflected a suitable mix of skills and experience, that each body was functioning effectively, and that the performance of each individual member had been effective and appropriate. For the evaluation of the Chairman, the Senior Independent Director discussed the results of the questionnaire with the Chairman personally prior to further distribution to, and discussion with, the remaining member.

As the Company is not a FTSE 350 company, an externally facilitated evaluation of the Supervisory Board every three years (as proposed by AIC Code Principle 7) was not conducted. In addition, no independent third party has been appointed to manage the exercise, as the Board considers the current process to be appropriate.

Attendance at Supervisory Board meetings during the financial year ended 31 December 2014

Name	Scheduled meetings and attendance*
SUPERVISORY BOARD	**5**
David Richardson	5
Colin Maltby	5
Howard Myles	5

* From time to time, there are unscheduled meetings of the Supervisory Board, most of which are called at short notice to approve documents previously discussed or of a technical nature. Due to the generally short notice given, not all members are able to attend. However, no unscheduled meetings were called during 2014.

OTHER LISTED COMPANY DIRECTORSHIPS

David Richardson

Assura plc (in place of Assura Group Limited following approval of scheme of arrangement in January 2015)

Colin Maltby

HarbourVest Senior Loans Europe Limited (in voluntary winding up from 27 November 2014)
BACIT Limited (formerly known as Battle Against Cancer Investment Trust Limited)
Ocean Wilson Holdings Limited

Howard Myles

The World Trust Fund
Aberdeen Private Equity Fund Limited
Baker Steel Resources Trust Limited
BlackRock Hedge Selector Limited (voluntarily wound up on 31 January 2015)
JP Morgan Brazil Investment Trust plc
Small Companies Dividend Trust plc

Re-election of Supervisory Board members

In accordance with the Articles of Incorporation, Supervisory Board members are elected for a period ending at the Company's next annual general meeting, at which time they are eligible for reappointment. Each member of the Supervisory Board has decided to offer himself for re-election at the forthcoming Annual General Meeting and, as a result of the successful performance evaluation described above, the Supervisory Board recommends the re-election of each member. The supporting biography of each member can be found on page 6 of this annual report.

Review/monitoring obligations/delegation of responsibilities of Supervisory Board

The primary focus at Supervisory Board meetings is a review of investment performance and associated matters such as risk management, marketing/investor relations, gearing, general administration and compliance, peer group information, and industry issues. In addition, it is responsible for establishing and monitoring compliance with the Company's investment policy, providing general supervisory oversight to the operations of the Group as a whole, appointing (or dismissing) the members of the Management Board, supervising and monitoring the appointment and performance of the Company's third-party service providers (and those of its subsidiaries). In the case of these later two roles, the Board acts as Nominations Committee and Management Engagement Committee respectively, as described below.

The Supervisory Board will continue to regularly consider the Company's strategy, taking account of market conditions and feedback from the Management Board, the Company's joint Brokers and shareholders. The investment strategy, as set out in the Company's prospectuses and this annual report, is reviewed regularly in conjunction with the Management Board.

COMMITTEES OF THE SUPERVISORY BOARD

There is only one constituted Committee of the Supervisory Board; that is the Audit Committee. It operates under clearly defined terms of reference, and these are available from the Company Secretary upon request.

There are no other Committees, as the Supervisory Board considers its size to be such that it would be unnecessarily burdensome to establish them. The Board as a whole therefore carries out the functions of Management Engagement, Nominations and Remuneration Committees, including *inter alia* making recommendations in relation to the Group's remuneration programme and on proposed changes of the Group's senior personnel. There are therefore no terms of reference in relation to such Committees. When acting in the capacity as these individual Committees, the meetings are chaired by Mr Richardson, the Chairman of the Supervisory Board.

OTHER COMMITTEE FUNCTIONS

Remuneration Committee

Acting as Remuneration Committee, the Supervisory Board met five times during the financial year to review the levels and structure of the remuneration, compensation and other benefits and entitlements for the directors, officers and employees of the Company and its subsidiaries. Further information in relation to both Executive and Non-Executive Directors remuneration can be found in the Remuneration section above.

Nominations Committee

During the financial year, the Supervisory Board met three times as Nominations Committee, to consider the renewal of the appointments of the Management Board members (which appointments are renewable annually for one year only), and to discuss succession planning for both Boards.

As stated under "Management Board – Performance Evaluation", each member of the Management Board was reappointed for a further year. In respect of succession planning, this issue was discussed and detailed plans developed for all senior positions. These plans are regularly updated by the Management Board and reviewed with the Supervisory Board at least annually. However, as the Company is in the earlier stages of its life, and given the successful performance evaluations of individual members described earlier, and the fact that each member remains willing to continue to serve the Company, the search for new directors was not considered necessary at the current time.

Management Engagement Committee

In its role as Management Engagement Committee, the Supervisory Board met once during the financial year to consider, together with the Management Board, the performance and ongoing appointments of the Company's third-party service providers. Over the year, it concluded that the ongoing appointments of these service providers continue to be in the best interests of the Company as a whole, with the additions described below.

During the year under review, as required by the AIFMD, three new service providers were appointed in the latter half of the year to provide compliance, internal audit and risk management services. Initial indications on performance are positive, although it is too early to judge performance.

Audit Committee

Attendance at Audit Committee meetings during the financial year ended 31 December 2014

Name	Scheduled meetings and attendance*
AUDIT COMMITTEE	**2**
Howard Myles	2
Colin Maltby	2
David Richardson	2

* From time to time, there are unscheduled meetings of the Audit Committee, most of which are called at short notice meetings to approve documents previously discussed or of a technical nature. Due to the generally short notice given, not all members are able to attend. However no unscheduled meetings were called during 2014.

The Audit Committee (the "Committee") has operated throughout the year in accordance with the AIC Code. As indicated above, it does so within clearly defined terms of reference including all matters indicated by Disclosure and Transparency Rule 7.1 and the AIC Code.

It comprises the three independent Non-Executive Directors who are also members of the Supervisory Board: Howard Myles is Chairman of the Committee, with Colin Maltby and David Richardson the other members. Biographical details of each member can be found immediately following the Chairman's Statement. The Committee's responsibilities are as follows:

- Monitoring the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance and reviewing significant financial reporting judgements contained therein.
- Reviewing the Group's internal financial controls and, unless expressly addressed by the Board itself, the Group's internal control and risk management systems.
- Making recommendations to the Supervisory Board for resolutions to be put to shareholders for approval at the Annual General Meeting on the appointment of the external auditor, and for approval of the remuneration and terms of engagement of the external Auditor.
- Reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK and Luxembourg professional and regulatory requirements.
- Reviewing the Group's Annual and Interim Reports and Financial Statements.
- Developing and implementing a policy on the engagement of the external Auditor to supply non-audit services, taking into account relevant guidance regarding the provision of non-audit services by the external audit firm.

The Committee is required to report its findings to the Supervisory Board, identifying any matters on which it considers that action or improvement is needed, and making recommendations on the steps to be taken. In the event of any conflict between the provisions of the AIC Code and the provisions of the law on the Audit Profession, the Company will comply with the provisions of the law on the Audit Profession.

The external auditor is invited to attend those Committee meetings at which the annual and interim financial statements are considered, and at other times if considered necessary by the Committee.

Meetings

The Committee is required to meet not less than two times a year, and at such other times as the Committee Chairman may require. Additional meetings may be requested by any other member of the Committee, or the external Auditor, if deemed necessary. Other Directors and third parties may be invited by the Committee to attend meetings as and when appropriate.

Annual General Meeting

The Committee Chairman attends each Annual General Meeting of the Company and is prepared to respond to any shareholder questions on the Committee's activities.

Right: Barking & Havering Clinics, UK (LIFT)

Below: Gloucestershire Royal Hospital, UK

AUDIT COMMITTEE REPORT

Introduction

I am pleased to present the Committee's formal report to shareholders on how the Committee has conducted its responsibilities for the year ended 31 December 2014.

Responsibilities and Composition

The main responsibilities of the Audit Committee can be found within the Governance section of this Annual Report, under the heading "Committees of the Supervisory Board".

Each of the three Non-Executive Directors is a member of the Committee, which is chaired by myself, and our biographies can be found immediately after the Chairman's Statement. The Board considers that at least one Committee member has recent and relevant financial experience for the Committee to discharge its functions effectively. Due to the size of the Supervisory Board, the Chairman, David Richardson, is also a member of the Committee, and this enables him to not only bring his extensive accounting knowledge to the table but also keeps him fully informed of any issues that may arise.

2014: the year under review

The Audit Committee met twice in the year to 31 December 2014 and members' attendance can be found within the Governance section of this Annual Report, under the heading "Committees of the Supervisory Board". At these meetings, the Committee considered, *inter alia:*

- The 2013 Annual and 2014 Interim financial statements.
- The Reports of the external Auditor.
- The external Auditor's terms of appointment and remuneration (including overseeing the independence of the Auditor particularly as it relates to the provision of non-audit services) in accordance with the Law on the Audit Profession dated 18 December 2009.
- Reviewing and approving the external Auditor's plan for the following financial year.
- Reviewing the appropriateness of the Company's accounting policies.
- Reviewing the risk register of the Company.
- Ensuring the adequacy of the internal control systems and standards.

Significant Risks

The most significant risk in the Company's financial statements is whether its investments are fairly valued and this issue is considered carefully when the Committee reviews the Company's annual and interim financial statements. The fair market valuation of the investments (which is carried out by the Management Board) is conducted every six months at 30 June and 31 December respectively; this is then reviewed by an independent third-party valuer, after which it is presented to the Supervisory Board.

Management Board members were available during the Audit Committee review process to provide detailed explanations of the rationale used for the valuation of investments. The external auditor was also invited to attend the Audit Committee meetings at which the annual and interim financial statements were considered in order to present the conclusion of their work, which included a review of the adequacy of the valuation.

Subsequent to the valuation and the subsequent reviews, the Committee concluded that the valuation process of the Company's investments for the year ended 31 December 2014 had been properly carried out and that the investments have been fairly valued.

Appointment of External Auditors

As stated above, the Committee annually reviews the performance of KPMG Luxembourg, Société coopérative. ("KPMG"), the Company's external auditor. In doing so, we consider a range of factors including the quality of service, specialist expertise and the level of audit fee. Following that review, the Committee remains satisfied with KPMG's effectiveness and therefore has not considered it necessary, to date, to require it to tender for the audit work. There are no contractual obligations restricting the choice of external auditor. The reappointment of the external auditor is subject to shareholder approval at the Annual General Meeting.

The Committee has also reviewed the provision by KPMG of non-audit services, and considers them to be cost-effective and not an impediment to KPMG's objectivity and independence.

As a result of its work during the period, the Audit Committee concludes that it has acted in accordance with its terms of reference and has ensured the independence and objectivity of the external auditor. The Audit Committee has recommended to the Board therefore that KPMG Luxembourg Société coopérative be reappointed as the Company's external auditor.

Conclusion

In conclusion, the Audit Committee is of the opinion that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

APPROVAL

On behalf of the Audit Committee

Howard Myles
Chairman of the Audit Committee
26 March 2015

MANAGEMENT BOARD RESPONSIBILITIES STATEMENT

The Management Board of the Company is responsible for ensuring proper preparation of the annual report and financial statements of the Company for each financial period in accordance with applicable laws and regulations, which require them:

i) to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as of and at the end of the financial period in accordance with International Financial Reporting Standards as adopted by the European Union and the Listing Rules; and

ii) to give a true and fair view of the development and performance of the business and the position of the Group as well as a true and fair description of the principal risks and uncertainties the Group may encounter.

In addition, the Management Board is responsible for ensuring that the Company is in compliance with applicable company law and other UK or Luxembourg applicable laws and regulations and to provide a description of the risks and uncertainties the Group may encounter and to put in place an appropriate control framework designed to meet the Group's particular needs and the risks to which it is exposed.

In preparing such financial statements, the Management Board is responsible for:

- Selecting suitable accounting policies and applying them consistently
- Making judgements and estimates that are reasonable and prudent
- Stating whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Preparing the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business
- Maintaining proper accounting records which disclose with reasonable accuracy the financial position of the Group and enable them to ensure that the financial statements comply with all relevant regulations
- Safeguarding the assets of the Group and taking reasonable steps for the prevention and detection of fraud and other irregularities

MANAGEMENT BOARD RESPONSIBILITIES STATEMENT

We confirm that to the best of our knowledge:

- The financial statements have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and Group included in the consolidation as a whole.

- The Chairman's statement and the report of the Management Board include a fair review of the development and performance of the business and the position of the Company and Group included in the consolidation taken as a whole together with a description of the principal risks and uncertainties that it faces.

Luxembourg, 26 March 2015

DUNCAN BALL
Co-CEO

FRANK SCHRAMM
Co-CEO

MICHAEL DENNY
Director

Golden Ears Bridge
British Columbia, Canada

INDEPENDENT AUDITOR'S OPINION

To the Shareholders of
BBGI SICAV S.A.
6 E, route de Trèves
L-2633 Senningerberg
Luxembourg

REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

Report on the consolidated financial statements and separate financial statements

Following our appointment by the annual general meeting of the shareholders of 30 April 2014, we have audited the accompanying consolidated financial statements of BBGI SICAV S.A. (the 'Company') and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 31 December 2014 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes.

We have also audited the accompanying separate financial statements of the Company, which comprise the statement of financial position as at 31 December 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory notes.

Management Board's responsibility for the consolidated financial statements and separate financial statements

The Management Board is responsible for the preparation and fair presentation of these consolidated financial statements and separate financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements and separate financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the Réviseur d'Entreprises agréé

Our responsibility is to express an opinion on these consolidated financial statements and separate financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance whether the consolidated financial statements and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and separate financial statements. The procedures selected depend on the judgement of the Réviseur d'Entreprises agréé, including the assessment of the risks of material misstatement of the consolidated financial statements and the separate financial statements, whether due to fraud or error. In making those risk assessments, the Réviseur d'Entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements and the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Board, as well as evaluating the overall presentation of the consolidated financial statements and the separate financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of BBGI SICAV S.A. as of 31 December 2014, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

In our opinion, the separate financial statements give a true and fair view of the financial position of BBGI SICAV S.A. as of 31 December 2014, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Other matters

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the consolidated financial statements and separate financial statements taken as a whole.

Report on other legal and regulatory requirements

The consolidated management report, which is the responsibility of the Management Board Directors, is consistent with the consolidated financial statements. The accompanying Corporate Governance Statements, which is the responsibility of the Management Board, is consistent with the consolidated financial statements and includes the information required by the law.

Luxembourg, 26 March 2015

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

Frauke Oddone

CONSOLIDATED INCOME STATEMENT

In thousands of Pounds Sterling	Note	Year ended 31 December 2014	Year ended 31 December 2013
Continuing operations			
Income from investments at fair value through profit or loss	9	**46,400**	25,429
Operating income		**46,400**	25,429
Administration expenses	5	**(5,339)**	(4,302)
Other operating expenses	6	**(888)**	(2,998)
Operating expenses		**(6,227)**	(7,300)
Results from operating activities		**40,173**	18,129
Finance cost	7	**(972)**	(499)
Finance income	8	**620**	1,500
Net finance result		**(352)**	1,001
Profit before tax		**39,821**	19,130
Tax expense	11	**(742)**	(310)
Profit from continuing operations		**39,079**	18,820
Profit from continuing operations attributable to owners of the Company		**39,079**	18,820
Earnings per share			
Basic earnings per share (pence)	13	**9.18**	7.25
Diluted earnings per share (pence)	13	**9.18**	7.25

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

In thousands of Pounds Sterling	Note	Year ended 31 December 2014	Year ended 31 December 2013
Profit for the year		**39,079**	18,820
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences – foreign operations	12	**-**	(597)
Other comprehensive loss for the year		**-**	(597)
Total comprehensive income for the year attributable to the owners of the Company		**39,079**	18,223

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

In thousands of Pounds Sterling	Note	31 December 2014	31 December 2013
Assets			
Property plant and equipment		**66**	70
Investments at fair value through profit or loss	9	**454,940**	324,051
Derivative financial instruments	15	**1,132**	1,262
Other non-current assets	14	**-**	415
Non-current assets		**456,138**	325,798
Trade and other receivables	18	**577**	1,307
Other current assets		**71**	57
Cash and cash equivalents	10	**25,264**	126,321
Current assets		**25,912**	127,685
Total assets		**482,050**	453,483
Equity			
Share capital	12	**434,818**	434,322
Translation reserves	12	**(597)**	(597)
Retained earnings		**32,115**	17,005
Equity attributable to owners of the Company		**466,336**	450,730
Liabilities			
Loans and borrowings	14	**12,526**	-
Trade payables		**107**	88
Other payables		**2,713**	2,584
Tax liabilities	11	**368**	81
Current liabilities		**15,714**	2,753
Total liabilities		**15,714**	2,753
Total equity and liabilities		**482,050**	453,483
Net asset value attributable to the owners of the Company	12	**466,336**	450,730
Net asset value per ordinary share (pence)	12	**109.49**	105.91

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In thousands of Pounds Sterling	Note	Share capital	Translation reserve	Retained earnings	Total equity
Balance at 1 January 2013	12	**208,807**	**-**	**12,083**	**220,890**
Total comprehensive income for the year ended 31 December 2013					
Profit for the year		**-**	**-**	**18,820**	**18,820**
Other comprehensive income	12	**-**	**(597)**	**-**	**(597)**
Total comprehensive income for the year		**-**	**(597)**	**18,820**	**18,223**
Transactions with owners of the Company, recognised directly in equity					
Cash dividends	12	**-**	**-**	**(13,898)**	**(13,898)**
Issuance of additional share capital – net of share issuance expenses	12	**225,515**	**-**	**-**	**225,515**
Balance at 31 December 2013		**434,322**	**(597)**	**17,005**	**450,730**
Total comprehensive income for the year ended 31 December 2014					
Profit for the year		**-**	**-**	**39,079**	**39,079**
Total comprehensive income for the year		**-**	**-**	**39,079**	**39,079**
Transactions with owners of the Company, recognised directly in equity					
Cash dividends	12	**-**	**-**	**(23,567)**	**(23,567)**
Scrip dividends	12	**402**	**-**	**(402)**	**-**
Share issuance costs	12	**94**	**-**	**-**	**94**
Balance at 31 December 2014		**434,818**	**(597)**	**32,115**	**466,336**

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

In thousands of Pounds Sterling	**Note**	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Cash flows from operating activities			
Profit/(Loss) for the year		**39,079**	18,820
Adjustments for:			
- Depreciation expense	5	**16**	9
- Net finance cost (income) excluding fair value movements in derivative financial instruments	7,8	**767**	332
- Income from investments at fair value through profit or loss	9	**(46,400)**	(25,429)
- Change in fair value of derivative financial instruments	8	**(415)**	(1,333)
- Foreign exchange loss (gain)		**483**	1,138
- Income tax expense	11	**742**	310
		(5,728)	(6,153)
Changes in:			
- Trade and other receivables		**817**	(115)
- Other assets		**(14)**	98
- Trade and other payables		**153**	921
Cash generated from operating activities		**(4,772)**	(5,249)
Interest paid		**(673)**	(299)
Interest received		**205**	99
Cash paid in hedging acquisition prices of investments at fair value through profit or loss	9	**-**	(701)
Realised gain on derivative financial instruments	15	**545**	-
Taxes paid		**(455)**	(396)
Net cash flows from operating activities		**(5,150)**	(6,546)
Cash flows from investing activities			
Acquisition of investments at fair value through profit or loss	9	**(117,560)**	(97,852)
Distributions received from investments at fair value through profit or loss	9	**32,983**	17,450
Acquisition of other equipment		**(11)**	(60)
Net cash flows from investing activities		**(84,588)**	(80,462)
Cash flows from financing activities			
Proceeds from issuance of loans and borrowings	14	**12,659**	-
Repayment of borrowings		**-**	(11,562)
Dividends paid	12	**(23,567)**	(13,898)
Proceeds from issue of ordinary shares – net of transaction cost	12	**-**	225,515
Net cash flows from financing activities		**(10,908)**	200,055
Net increase (decrease) in cash and cash equivalents		**(100,646)**	113,047
Impact of foreign exchange loss on cash and cash equivalents		**(411)**	(1,138)
Cash and cash equivalents at 1 January		**126,321**	14,412
Cash and cash equivalents at 31 December	10	**25,264**	126,321

The accompanying notes form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2014

1. REPORTING ENTITY

BBGI SICAV S.A. (previously Bilfinger Berger Global Infrastructure SICAV S.A.) ("BBGI", or the "Company") is an investment company incorporated in Luxembourg in the form of a public limited company (société anonyme) with variable share capital (société d'investissement à capital variable, or "SICAV") and regulated by the Commission de Surveillance du Secteur Financier ("CSSF") under Part II of Luxembourg Law of 17 December 2010 on undertakings for collective investments with an indefinite life. The Company qualifies as an alternative investment fund within the meaning of Article 1 (39) of the law of 12 July 2013 on alternative investment fund managers ("2013 Law") implementing Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and is authorised as an internal alternative investment fund manager in accordance with Chapter 2 of the 2013 Law with effect from 07 October 2014. The Company's registered office is EBBC, 6E, route de Trèves, L-2633 Senningerberg, Luxembourg. The Company was admitted to the official list of the UK Listing Authority (premium listing, closed-ended investment fund) and to trading on the main market of the London Stock Exchange on 21 December 2011.

The Company is a closed-ended investment company that principally invests in a diversified portfolio of operational Public Private Partnership (PPP)/Private Finance Initiative (PFI) infrastructure assets or similar assets. The Company has limited investments in projects that are under construction.

The Group employed 14 employees as of 31 December 2014 (11 as of 31 December 2013).

Reporting period

The Company's reporting period runs from 1 January to 31 December, each year. The Company's ("the Group" or "the Fund" if referred together with its consolidated subsidiaries) consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and consolidated statement of cash flows includes comparative figures as at 31 December 2013.

The amounts presented as non-current in the consolidated statement of financial position are those which are expected to be settled after more than one year. The amounts presented as current are those which are expected to be settled within one year.

2. BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the provisions of the Standard of Recommended Practices issued by the Association of Investment Companies (AIC SORP).

All items presented in the consolidated income statement and consolidated comprehensive income are considered "capital" in nature. As such, no further disclosure is required as there are no longer items deemed "revenue" in nature.

These consolidated financial statements were approved by the Management Board and Supervisory Board on 26 March 2015.

Changes in accounting policy

The accounting policies, measurement and valuation principles applied by the Group in these consolidated financial statements are the same as those applied by the Group in its annual consolidated financial statements as of and for the year ended 31 December 2013.

Basis of measurement

These consolidated financial statements have been prepared on historical costs basis, except for derivative financial instruments and investments at fair value through profit or loss which are reflected at fair value.

Functional and presentation currency

These consolidated financial statements are presented in Pounds Sterling, which is the Company's functional currency.

Use of estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

In the process of applying the Group's accounting policies, which are described in Note 3, the management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

The Company as an Investment Entity

The management has assessed that the Company is an Investment Entity in accordance with the provisions of IFRS 10. The Company meets the following criteria to qualify as an Investment Entity:

a) *obtains funds from one or more investors for the purpose of providing those investors with investment management services*

The Company is publicly listed on the London Stock Exchange, with its shares held by a number of shareholders/investors. The Fund is internally managed, with management solely focused on managing the funds received from its shareholders in order to maximise investment income/return.

b) *commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both;*

The investment objectives of the Fund are as follows:

- provide investors with secure and highly predictable long-term cash flows whilst actively managing the investment portfolio with the intention of maximising the capital value over the long term

- target a dividend of 5.76 pence per share per annum. The Fund will aim to increase this distribution progressively over the longer term.

- target an IRR in the region of 7% to 8% on the £1 IPO issue price issue price of its ordinary shares to be achieved over the longer term via active management to enhance the value of existing investments

The above-mentioned objectives support the fact that the main business purpose of the Fund is to maximise investment income for the benefit of its shareholders.

c) *measures and evaluates performance of substantially all of its investments on a fair value basis*

> The investment policy of the Fund is to invest in equity, subordinated debt or similar interests issued in respect of infrastructure projects that have predominantly been developed under the PPP/PFI or similar procurement models. Each of these PPP/PFI projects is valued at fair value. The valuation is carried out on a six-monthly basis as at 30 June and 31 December each year.

Based on management's assessment, the Company also meets the typical characteristics of an Investment Entity as follows:

a) it has more than one investment – at 31 December 2014 the Company has 36 PPP/PFI investments

b) it has more than one investor – the Company is listed on the London Stock Exchange with its shares held by a broad pool of investors

c) it has investors that are not related parties of the entity – other than the shares held by the Supervisory Board, the Management Board and certain employees, all remaining shares in issue (more than 99%) are held by non-related parties of the entity

d) it has ownership interests in the form of equity or similar interests – the Fund's ownership in PPP/PFI projects is in the form of equity interests, subordinated debt and similar instruments

Fair valuation of financial assets and financial liabilities

The Group accounts for its investments in PPP/PFI entities ("SPCs" or "Project Entities") at fair value through profit or loss (FVPL Investments).

Fair values for such investments for which a market quote is not available are determined using the income approach which discounts the expected cash flows at the appropriate rate. In determining the discount rate, certain assumptions are made which are based on market rates. The management also uses certain macroeconomic assumptions which include indexation rates, deposit interest rates, corporate tax rates and foreign currency exchange to determine the cash flows that would be received from the SPCs. The management believes that the macroeconomic assumptions and discount rates used are representative of the current market conditions/rates for similar PPP/PFI projects.

The fair value of other financial assets, other than current assets, and liabilities has been determined by discounting future cash flows at an appropriate discount rate and with reference to recent market transactions. Further information on assumptions and estimation uncertainties are disclosed in Note 16.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs to measure fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of fair value hierarchy at the end of the reporting period in which the change has occurred.

Going concern basis of accounting

The Management Board has examined significant areas of possible financial risk including cash and cash requirements. They have not identified any material uncertainties which would cast significant doubt on the Company's ability to continue as a going concern for a period of less than 12 months from the date of approval of the consolidated financial statements. The Management Board has satisfied itself that the Company has adequate resources to continue in operational existence for the foreseeable future. After due consideration, the Management Board believes it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company and its subsidiaries.

BASIS OF CONSOLIDATION

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to direct the relevant activities, i.e. the activities that significantly affect the investee's returns, and to obtain those returns. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts generally are recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries

Subsidiaries are investees controlled by the Company (directly or indirectly). The Company controls an investee if it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company is an Investment Entity and measures investments in certain subsidiaries at fair value through profit or loss. In determining whether the Company meets the definition of an Investment Entity, the management considered the Group structure as a whole (see also Note 2).

Although the Company qualifies as an Investment Entity and is required to value certain subsidiaries at fair value, the Company has a number of subsidiaries which provide services that relate to the Company's investment activities. These subsidiaries are consolidated on a line-by-line basis.

Acquisition of non-controlling interests (consolidated subsidiaries)

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interest arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Loss of control (consolidated subsidiaries)

For subsidiaries which are consolidated on a line-by-line basis, upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an investment at fair value through profit or loss or as an available-for-sale financial asset depending on the level of influence retained.

Transactions eliminated on consolidation (consolidated subsidiaries)

Intra-group receivables, liabilities, revenue and expenses are eliminated in their entirety when preparing the consolidated financial statements. Gains that arise from intra-group transactions and that are unrealised from the standpoint of the Group on the balance sheet date are eliminated in their entirety. Unrealised losses on intra-group transactions are also eliminated in the same way as unrealised gains, to the extent that the loss does not correspond to an impairment loss.

FOREIGN CURRENCY

Foreign currency transactions

Transactions in foreign currencies are translated into Pounds Sterling at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Pounds Sterling at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into Pounds Sterling at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognised in profit or loss as a gain or loss on currency translation.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Pounds Sterling at exchange rates at the reporting date. The income and expenses of foreign operations are translated at Pounds Sterling at the average exchange rates during the year, if such does not significantly deviate from the exchange rates at the date the transaction is entered into.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. However, if the foreign operation is a non-wholly owned consolidated subsidiary, then the relevant portion of the translations difference is allocated to non-controlling interest. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a consolidated subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising from such item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income, and presented in the translation reserve in equity.

FINANCIAL INSTRUMENTS

Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the date that the Group becomes a party to the contractual provisions of the instrument and when the significant risk and rewards of ownership are transferred to the Group.

In general, the Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate financial asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables, and available-for-sale financial assets.

At balance sheet date, except for investments accounted for at fair value through profit or loss, all non-derivative financial assets of the Group have been classified as loans and receivables.

Investments at fair value through profit or loss

The Company is an Investment Entity and therefore values its investment in subsidiaries at fair value through profit or loss, except where the subsidiary provides investment-related services or activities. The fair value of an investment in a subsidiary includes the fair value of the equity, loans and interest receivable and any other amounts which are included in the discounted estimated cash flow (which is used to compute the fair value) from such subsidiary. The Company subsequently measures its investment in certain subsidiaries at fair value in accordance with IAS 39 and IFRS 13, with changes in fair value recognised in profit or loss in the period of change. The fair value estimation of investments in subsidiaries is described in Note 16.

In addition to valuing certain subsidiaries at fair value through profit or loss, the Company also values investments in associates and jointly controlled entities at fair value.

The Company meets the definition of IAS 28 part 18 for a venture capital organization or a similar entity and upon initial recognition has designated its investment in joint ventures and associates at fair value through profit or loss. The Group manages the performance of each of the joint ventures and associates on a fair value basis in accordance with the Group's investment strategy. The information about associates and joint ventures is provided internally on a fair value basis to the Group's Management Board and Supervisory Board. The Group therefore measures its associates and joint ventures at fair value in accordance with IAS 39 with changes in fair value recognised in profit or loss in the period of change. The fair value estimation of investments in joint venture and associates is described in Note 16.

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity. Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities into the 'other financial liability' category. Such financial liabilities are recognised initially at fair value less any direct attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Group derecognises a financial liability (or part of a financial liability) from the statement of financial position when, and only when, it is extinguished or when the obligation specified in the contract or agreement is discharged or cancelled or expired. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is considered in profit or loss.

Derivative financial instruments

The Group may hold derivative financial instruments to hedge its foreign currency, interest rate and other risk exposures.

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

IMPAIRMENT

Non-derivative financial assets

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or group of financial assets is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets(s), and that loss event(s) had an impact on the estimated future cash flows of the asset(s) that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

PROVISIONS

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to a liability. The unwinding of such discount is recognised as finance cost.

INTANGIBLE ASSETS AND GOODWILL

Goodwill that arises on the acquisition of consolidated subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition, please see recognition policy on business combination. Goodwill is measured at cost less accumulated impairment losses and is tested at least annually for impairment.

Other intangible assets, if any, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of change in their fair value, and are used by the Group in the management of its short-term commitments.

SHARE CAPITAL

Ordinary shares are classified as equity. Given that the Company has no contractual obligation to deliver cash or any other financial asset or to exchange financial assets or liabilities with another entity under conditions that are unfavourable, the Company classifies the issued shares to be equity rather than liability. Moreover, no shareholder has the right to request the redemption of issued shares.

Costs directly attributable to the issue of ordinary shares, or which are associated with the establishment of the Company, that would otherwise have been avoided are recognised as a deduction from equity, net of any tax effects.

DIVIDEND INCOME

Dividend income is recognised in profit or loss on the date which the right to receive payment is established. This is the date on which the payment of a dividend is authorised.

FINANCE INCOME AND FINANCE COSTS

Interest income and expenses are recognised in profit or loss using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, where appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest received or receivable and interest paid or payable are recognised in profit or loss as finance income and finance costs, respectively.

OPERATING EXPENSES

All operating expenses are recognised in profit and loss on an accrual basis.

TAX

According to the Luxembourg regulations regarding SICAV companies, the Company itself is exempt from paying income and/or capital gains taxes in Luxembourg. It is, however, liable for annual subscription tax of 0.05% of its net asset value computed under investment basis (Investment Basis NAV), payable quarterly and assessed on the last day of each quarter.

Income tax on the consolidated subsidiaries' profits for the period comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

SEGMENT REPORTING

Segment results that are reported to the Management Board include items directly attributable to segments as well as those that can be allocated on a reasonable basis.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The IASB and IFRIC have issued a number of standards and interpretations with an effective date after the beginning of the period of these consolidated financial statements. Management has set out below only those which may have an impact on the financial statements in future periods.

IFRS 9: Financial instruments

IFRS 9 published in July 2014, replaces the existing guidance on *IAS 39, Financial instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of the financial instruments, including a new expected credit loss model for calculating impairment on financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is not yet endorsed and adopted by the European Union; however, once endorsed, its estimated effective date will be 01 January 2018.

The Group is currently assessing the impact of the adoption of the above new standard on the consolidated financial statements.

4. SEGMENT REPORTING

IFRS 8 – *Operating segments* adopts a 'through the eyes of the management' approach to an entity's reporting of information relating to its operating segments and also requires an entity to report financial and descriptive information about its reportable segments.

Based on a review of information provided to the Management Board, the Group has identified five reportable segments based on the geographical concentration risk. The main factor used to identify the Group's reportable segments is the geographical location of the projects. The Management Board has concluded that the Group's reportable segments are (1) UK, (2) Mainland Europe, (3) Australia, (4) North America, and (5) Holding Activities. These reportable segments are the basis on which the Group reports information to its Management Board.

Segment information for the year ended 31 December 2014 is presented below:

In thousands of Pounds Sterling	**UK**	**Mainland Europe**	**Australia**	**North America**	**Holding Activities**	**Total Group**
Income from FVPL investments	**34,823**	**(806)**	**4,655**	**7,728**	**-**	**46,400**
Administration expenses	**-**	**-**	**-**	**-**	**(5,339)**	**(5,339)**
Other operating expenses (net)	**-**	**-**	**-**	**-**	**(888)**	**(888)**
Results from operating activities	**34,823**	**(806)**	**4,655**	**7,728**	**(6,227)**	**40,173**
Finance cost	**-**	**-**	**-**	**-**	**(972)**	**(972)**
Finance income	**-**	**-**	**-**	**-**	**620**	**620**
Tax expense	**-**	**-**	**-**	**-**	**(742)**	**(742)**
Profit or loss from continuing operations	**34,823**	**(806)**	**4,655**	**7,728**	**(7,321)**	**39,079**

Segment information as of 31 December 2014 is presented below:

In thousands of Pounds Sterling	**UK**	**Mainland Europe**	**Australia**	**North America**	**Holding Activities**	**Total Group**
Assets						
FVPL investments	**187,012**	**48,112**	**70,593**	**149,223**	**-**	**454,940**
Other non-current assets	**-**	**-**	**-**	**-**	**1,198**	**1,198**
Current assets	**-**	**-**	**-**	**-**	**25,912**	**25,912**
Total assets	**187,012**	**48,112**	**70,593**	**149,223**	**27,110**	**482,050**
Liabilities						
Non-current	**-**	**-**	**-**	**-**	**-**	**-**
Current	**-**	**-**	**-**	**-**	**15,714**	**15,714**
Total liabilities	**-**	**-**	**-**	**-**	**15,714**	**15,714**

Segment information for the year ended 31 December 2013 is presented below:

In thousands of Pounds Sterling	**UK**	**Mainland Europe**	**Australia**	**North America**	**Holding Activities**	**Total Group**
Income from FVPL investments	19,359	1,068	(1,236)	6,238	-	25,429
Administration expenses	-	-	-	-	(4,302)	(4,302)
Other operating expenses (net)	-	-	-	-	(2,998)	(2,998)
Results from operating activities	19,359	1,068	(1,236)	6,238	(7,300)	18,129
Finance cost	-	-	-	-	(499)	(499)
Finance income	-	-	-	-	1,500	1,500
Tax expense	-	-	-	-	(310)	(310)
Profit or loss from continuing operations	19,359	1,068	(1,236)	6,238	(6,609)	18,820

Segment information as of 31 December 2013 is presented below:

In thousands of Pounds Sterling	**UK**	**Mainland Europe**	**Australia**	**North America**	**Holding Activities**	**Total Group**
Assets						
FVPL investments	119,354	30,549	44,022	130,126	-	324,051
Other non-current assets	-	-	-	-	1,747	1,747
Current assets	-	-	-	-	127,685	127,685
Total assets	119,354	30,549	44,022	130,126	129,432	453,483
Liabilities						
Non-current	-	-	-	-	-	-
Current	-	-	-	-	2,753	2,753
Total liabilities	-	-	-	-	2,753	2,753

The Holding Activities of the Group include the activities of the Group which are not specifically related to a certain project or region. The total current assets classified under Holding Activities mainly represent cash and cash equivalents.

Transactions between reportable segments are conducted at arm's-length and are accounted in a similar way to the basis of accounting used for third parties. The accounting method used for the amounts presented for the segments are similar and comparable with that of the Company and the other segments.

5. ADMINISTRATION EXPENSES

In thousands of Pounds Sterling	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Personnel expenses	**3,168**	2,005
Office and administration expense	**1,445**	1,531
Legal and professional fees	**710**	757
Depreciation expense	**16**	9
	5,339	4,302

The Group has engaged the services of certain entities to provide, legal, custodian, audit, tax and other services to the Group. The expenses incurred in relation to such services are included under legal and professional fees.

During 2014, the audit fees, which are included in the legal and professional fees above, amounted to £173,000. During 2013, the audit and audit related fees which are included in the legal and professional fees above and share issuance expenses (see Note 12) amounted to £386,000.

6. OTHER OPERATING EXPENSES

In thousands of Pounds Sterling	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Acquisition related costs	**405**	1,860
Foreign currency translation loss	**483**	1,138
	888	2,998

7. FINANCE COST

In thousands of Pounds Sterling	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Finance cost on loans and borrowings (see Note 14)	**972**	499
	972	499

8. FINANCE INCOME

In thousands of Pounds Sterling	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Changes in fair values of foreign currency forwards (see Note 15)	**415**	1,333
Interest income from bank deposits	**205**	167
	620	1,500

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

The movements of investments at fair value through profit or loss are as follows:

In thousands of Pounds Sterling	**31 December 2014**	**31 December 2013**
Balance at 1 January	**324,051**	218,116
Acquisition of FVPL investments	**117,560**	97,852
Income from FVPL investments	**46,400**	25,429
Distributions received from FVPL investments	**(32,983)**	(17,450)
Cash paid in hedging acquisition prices of FVPL investments	**-**	701
Translation reserve/foreign exchange gain (loss)	**-**	(597)
Reclassification to other receivables/payables	**(88)**	-
	454,940	324,051

Distributions from FVPL investments are received after (a) approval of external lenders on financial models have been obtained or (b) financial models are tested for compliance with certain ratios or (c) financial models have been submitted to the external lenders of the Project Entities.

As of 31 December 2014 and 2013, loan and interest receivable from unconsolidated subsidiaries is embedded in the FVPL investment.

The valuation of FVPL investments considers all cash flow related to the individual projects.

The interest income, dividend income, project-related directors' fee income and other income, recorded under accrual basis, at the level of the Holding Companies (see Note 17) for the year ended 31 December 2014 amounted to £26,665,000 (2013:£16,300,000). The associated cash flows from these items were taken into account when valuing the projects.

For the year ended 31 December 2014, the Company has completed 10 primary acquisitions as well as nine follow-on acquisitions with a total value of £117,560,000 million as summarised below:

In January 2014 BBGI completed the acquisition of a 33.33% interest in the Ohio River Bridges PPP project ("ORB"), BBGI's first asset in the USA. The project is currently in construction.

In February 2014 BBGI completed the acquisition of additional interests in three LIFT projects in the UK, namely Liverpool & Sefton Clinics, North London Estates Partnerships ("LIFT") and Mersey Care Mental Health ("Mersey Care") from Assura Group Limited. The interests acquired include equity and subordinated debt interests in Liverpool & Sefton Clinics, North London Estates Partnerships and Mersey Care Mental Health Hospital.

In March 2014 BBGI signed and completed the acquisition of Bilfinger Group's equity and subordinated debt subscription obligations of about £20 million, representing 37.5% of equity and subordinated debt in Mersey Gateway Bridge ("Mersey Gateway") in the UK. The subscription obligations are backed by a letter of credit using BBGI's credit facility (see Note 14).

Also in March 2014 BBGI completed the acquisition of a 50% interest in the Northern Territory Secure Facilities ("NTSF") in Australia. NTSF is a new 1,000-bed correctional facility located on a greenfield site near Darwin, Australia. The project became operational in HY2 2014.

In April 2014 BBGI completed the acquisition of a 50% equity and loan note interest in four operational PPP Projects in Germany from HOCHTIEF PPP Solutions GmbH.

Also in April 2014, BBGI signed and completed the acquisition of an additional 6.67% equity and subordinated debt interest in two existing operational LIFT projects from Galliford Try Investments Limited. The two projects are the North London Estates Partnerships and the Liverpool & Sefton Clinics. Following this acquisition, BBGI now owns more than 50% of these projects. The acquisition was financed using the Company's credit facility (see Note 14).

In May 2014 BBGI completed the acquisition of 100% equity and subordinated debt interest in Lagan College, a long-term PPP concession to build a school and partially refurbish and remodel an existing school building in Northern Ireland. Under the sale and purchase agreement, BBGI acquired from the Bilfinger Group 70% of the equity and subordinated debt in the project. BBGI also acquired the remaining 30% of the equity interest and subordinated debt from Graham Investments Projects Limited.

In June 2014 BBGI completed the acquisition of 100% equity and loan note interests in DBFO-1 Road Service ("M1 Westlink") in the UK from the Bilfinger Group and Graham Investment Projects Limited.

Also in June 2014 BBGI completed the acquisition of a further 41.2% equity interest in the E18 Roadway Project ("E18") in Norway from Sundt A.S. BBGI now owns 100% of the equity interest in E18.

BBGI completed the acquisition of a further 6.1% of the equity and 10% of the sub-debt interest in the Mersey Care Mental Health Hospital project in UK from GB Partnerships Investments Limited

BBGI completed the acquisition of equity and subordinated debt interest in The Avon & Somerset Police HQ in the UK. The asset consists of four Police buildings (an Operation Base, two Custody and Crime Investigation Centres, and a Tri-forces Firearms Training Centre). Three of the four buildings are operational.

Details of various PPP/PFI projects in the Company's portfolio and their respective acquisition dates are as follows:

SPCs	Project Name	Country of Incorporation	Effective Ownership Interest on the Project	Year Acquired
RW Health Partnership Holdings Pty Limited*	Royal Women's Hospital	Australia	100.0%	2012
Victoria Correctional Infrastructure Partnership Pty Ltd.	Victoria Prisons	Australia	100.0%	2012
BBPI Sentinel Holdings Pty Ltd.* and Sentinel Financing Holdings Pty Ltd.*	Northern Territory Secure Facilities	Australia	50.0%	2014
Golden Crossing Holdings Inc.*	Golden Ears Bridge	Canada	100.0%	2012 and 2013
Trans-park Highway Holding Inc.*	Kicking Horse Canyon	Canada	50.0%	2012
NorthwestConnect Holdings Inc.*	Northwest Anthony Henday Drive	Canada	50.0%	2012
BBGI KVH Holdings Inc.*	Kelowna and Vernon Hospitals	Canada	50.0%	2013
WCP Holdings Inc.*	Women's College Hospital	Canada	100.0%	2013
Stoney Trail Group Holdings Inc.*	Northeast Stoney Trail	Canada	100.0%	2013
Kreishaus Unna Holding GmbH*	Unna Administrative Centre	Germany	44.1%	2012
PJB Beteiligungs – GmbH*	Burg Prison	Germany	90.0%	2012
Hochtief PPP 1 Holding GmbH & Co.KG*	Cologne Schools	Germany	50.0%	2014
Hochtief PPP 1 Holding GmbH & Co.KG*	Cologne-Rodenkirchen School			
Hochtief PPP 1 Holding GmbH & Co.KG*	Frankfurt Schools			
Hochtief PPP 1 Holding GmbH & Co.KG*	Fürst Wrede Military Base			
Adger OPS Vegselskap AS	E18	Norway	100.0%	2013 and 2014
Kent Education Partnership Holdings Ltd.*	Kent Schools	UK	50.0%	2012
Healthcare Providers (Gloucester) Ltd.*	Gloucester Hospital	UK	50.0%	2012
Highway Management M80 Topco Limited*	M80	UK	50.0%	2012
Bedford Education Partnership Holdings Limited*	Bedford Schools	UK	100.0%	2012
Lisburn Education Partnership Holdings Limited*	Lisburn College	UK	100.0%	2012
Clackmannanshire Schools Education Partnership (Holdings) Limited*	Clackmannanshire Schools	UK	100.0%	2012
Primaria (Barking & Havering) Limited*	Barking Dagenham and Havering (LIFT)	UK	60.0%	2012
East Down Education Partnership (Holdings) Limited*	East Down Colleges	UK	66.7%	2012
Scottish Borders Education Partnership (Holdings) Limited*	Scottish Borders Schools	UK	100.0%	2012
Coventry Education Partnership Holdings Limited*	Coventry Schools	UK	100.0%	2012
Fire Support (SSFR) Holdings Limited*	Staffordshire Fire Stations	UK	85.0%	2012
GB Consortium 1 Ltd.*	North London Estates Partnership (previously Barnet and Haringey) and Liverpool & Sefton Clinics (LIFT)	UK	53.3% (both)	2012 and 2014
Mersey Care Development Company 1 Limited*	Mersey Care Hospital	UK	76.2%	2013 and 2014
MG Bridge Investments Limited*	Mersey Gateway	UK	37.5%	2014
Tor Bank School Education Partnership (Holdings) Limited*	Tor Bank School	UK	100.0%	2014
Lagan College Education Partnership (Holdings) Limited*	Lagan College	UK	100.0%	2014
Highway Management (City) Holding Limited*	M1 Westlink	UK	100.0%	2014
Blue Light Partnership (ASP) NewCo Limited*	Avon and Somerset Police Headquarters	UK	34.93%	2014
BBGI East End Holdings, Inc.	Ohio River Bridges	USA	33.3%	2014

*and its subsidiaries

10. CASH AND CASH EQUIVALENTS

In thousands of Pounds Sterling	**31 December 2014**	**31 December 2013**
Bank deposits/balances	**25,264**	51,579
Term deposits	**-**	74,742
	25,264	126,321

The term deposits were composed of short-term investments with maturity of less than three months.

11. TAXES

The composition of the Group's tax expense is as follows:

In thousands of Pounds Sterling	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Current tax expense	**742**	310
Total tax expense	**742**	310

The composition of the tax payable is as follows:

In thousands of Pounds Sterling	**31 December 2014**	**31 December 2013**
Current tax		
Corporation tax – current year	**259**	81
Corporation tax – previous year	**109**	-
Total current tax liability	**368**	81

A reconciliation of the tax expense and the tax at applicable tax rate are as follows:

In thousands of Pounds Sterling	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Profit before tax	**39,821**	19,130
Income tax using the Luxembourg domestic tax rate (29.22%)	**11,636**	5,590
Difference between domestic tax rate and applicable tax rate	**227**	136
Income tax expense adjustment	**109**	-
Tax exempt income*	**(11,230)**	(5,416)
Tax charge for the year	**742**	310

*The Company is exempt from paying income and/or capital gains taxes in Luxembourg. It is, however, liable for an annual subscription tax of 0.05% of its total net assets.

There are no unrecognised taxable temporary differences. The Group has tax losses carried forward amounting to £963,000 in which no deferred tax asset is recognised.

12. CAPITAL AND RESERVES

Share capital

The changes in the Company's share capital are as follows:

In thousands of Pounds Sterling	**31 December 2014**	**31 December 2013**
Share capital as of 1 January	**434,322**	208,807
Issuance of shares through placing, open offer and offer for subscription	**-**	230,000
Share issuance expenses	**94**	(4,485)
Share capital issued through scrip dividend	**402**	-
	434,818	434,322

The changes in the number of ordinary (no par-value) shares issued by the Company are as follows:

In thousands of Pounds Sterling	**Ordinary shares** **31 December 2014**	**31 December 2013**
On issue at beginning of the year	**425,574**	212,985
Shares issued during the year through placing, open offer and offer for subscription	**-**	212,589
Shares issued through scrip dividends	**343**	-
	425,917	425,574

All shares issued are fully paid. All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Dividends

The following interim and final dividends were declared and paid by the Company during the year ended 31 December 2014:

In thousands of Pounds Sterling except as otherwise stated	**31 December 2014**
Final dividend of 2.75 pence per qualifying ordinary share – for the year ended 31 December 2013*	**11,703**
Interim dividend of 2.88 pence per qualifying ordinary share – for period ended 30 June 2014	**12,266**
	23,969

*The final dividend for the year ended 31 December 2013, which was declared and paid during the year, is composed of cash dividend of £11,301,000 and scrip dividend of £402,000.

The following interim and final dividends were declared and paid by the Company during the year ended 31 December 2013:

In thousands of Pounds Sterling except as otherwise stated	**31 December 2013**
Final dividend of 2.75 pence per qualifying ordinary share – for the year ended 31 December 2012	**5,857**
Interim dividend of 2.75 pence per qualifying ordinary share – for period ended 30 June 2013	**8,041**
	13,898

Net Asset Value

The consolidated net asset value and net asset value per share as of 31 December 2014, 2013 and 2012 are as follows:

In thousands of Pounds Sterling/pence	**Year ended 31 December 2014**	**Year ended 31 December 2013**	**Year ended 31 December 2012**
Net asset value attributable to the owners of the Company	**466,336**	450,730	220,890
Net asset value per ordinary share (pence)	**109.49**	105.91	103.71

13. EARNINGS PER SHARE

The basic and diluted earnings per share are calculated by dividing the profit attributable to the owners of the Company by the weighted average number of ordinary shares in issue.

In thousands of Pounds Sterling/shares	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Profit attributable to owners of the Company	**39,079**	18,820
Weighted average number of ordinary shares in issue	**425,917**	259,667
Basic and diluted earnings per share (in pence)	**9.18**	7.25

The weighted average number of shares outstanding for the purpose of computation of earnings per share is computed as follows:

In thousands of shares	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Shares outstanding as at 1 January	**425,574**	212,985
Effects of shares issued through placing, open offer and offer for subscription (weighted average)	**-**	46,682
Effect of scrip dividends issued	**343**	-
Weighted average – outstanding shares	**425,917**	259,667

The denominator for the purposes of calculating both basic and diluted earnings per share is the same because the Company has not issued any share options or other instruments that would cause dilution.

14. LOANS AND BORROWINGS

In July 2012 the Company entered into a three-year £35 million revolving credit facility and letter of credit option (£35 million Revolving Credit Facility) with three lenders (The Royal Bank of Scotland plc, National Australia Bank Limited and KfW IPEX-Bank GmbH) to finance acquisitions, to provide letters of credit for outstanding equity obligations or for working capital purposes. The arrangement fee was 1.5% and the margins are 2.25% over LIBOR when loan to value (ratio of gross borrowings to the value of the asset portfolio of the Group) is less than 25% and 2.75% over LIBOR when loan to value is greater than or equal to 25%. The commitment fee is 1.00% of the available commitment per annum.

The Company has £12,659,000 (2013: nil) outstanding borrowings which are due and payable during July 2015. At 31 December 2014, the Company utilised £21.0 million (31 December 2013: £1.4 million) of the facility to cover three letters of credit (31 December 2013: two letters of credit). As of 31 December 2014, the unpaid loan interest on the outstanding borrowings amounted to £12,000 (2013: nil).

The unamortised debt issuance cost related to the above-mentioned credit facility amounts to £145,000 as of 31 December 2014 (2013: £415,000). As of 31 December 2014, the unamortised amount is netted against the amount withdrawn from the credit facility (2013: presented as non-current asset).

The total finance cost incurred in relation to the above-mentioned for the year ended 31 December 2014 amounted to £972,000 (2013: £499,000).

In January 2015, the Company secured a new three-year revolving credit facility of £80 million from ING Bank and KfW IPEX-Bank (£80 million Revolving Credit Facility). BBGI retains the flexibility to consider larger transactions by virtue of having structured a further £100 million incremental accordion tranche, for which no commitment fees are paid, which allows it to increase the facility to £180 million, at BBGI's option. This facility replaces the £35 million Revolving Credit Facility, which was due to expire in July 2015.

The £80 million Revolving Credit Facility will be used primarily to fund acquisitions and provide letters of credit for investment obligations, and the intention will be to repay the facility from time to time through equity fundraisings. The term of the new facility is three years, expiring in January 2018. The borrowing margin under the £80 million Revolving Credit Facility is 185 basis points (bps) over LIBOR.

Pledges and Collaterals

As of 31 December 2014 and 2013, the Group pledged all the current and future assets held within BBGI Management HoldCo S.à r.l. ('MHC'), BBGI investments S.C.A. ('SCA'), BBGI Holding Limited ('UK HoldCo'), BBGI Inv ('GP') and the Company in relation to the revolving credit facility.

As a result of refinancing of above, the Group, in addition to the pledged assets as of 31 December 2014, has pledged all current and future assets held within BBGI CanHoldco Inc.

15. FINANCIAL RISK REVIEW AND MANAGEMENT

The Group has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital. This note also presents the result of the review performed by management on the above-mentioned risk areas.

RISK MANAGEMENT FRAMEWORK

The Management Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

CREDIT RISK

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group, resulting in:

1) impairment or reduction in the amounts recoverable from receivables and other current and non-current assets
2) non-recoverability, in part or in whole, of cash and cash equivalents deposited with banks

Exposures to credit risks

The Group is exposed to credit risks on the following items in the consolidated statement of financial position:

In thousands of Pounds Sterling	**31 December 2014**	**31 December 2013**
Derivative financial instruments (asset)	**1,132**	1,262
Trade and other receivables	**577**	1,307
Cash and cash equivalents	**25,264**	126,321
	26,973	128,890

The maximum exposures to credit risk on receivables that are neither overdue nor impaired as of 31 December 2014 amounts to £577,000 (2013: £1,307,000) and are mainly in relation to operations in the UK.

As of 31 December 2014, the Group is also exposed to credit risk on the loan receivable component of FVPL investments (loans provided to Project Entities) amounting to £161,285,000 (2013: £121,820,000).

Recoverable amounts of receivables and other current and non-current assets

The Group establishes when necessary an allowance for impairment that represents its estimate of any potential losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loss component established for groups of similar assets in respect of losses that may have been incurred but are not yet identified. The collective loss allowance is determined based on historical data of payment related to such receivables. Currently there are no recorded allowances for impairment. All the Group's receivables are collectable and no significant amounts are considered as overdue or impaired.

Cash and cash equivalents and foreign currency forwards

The cash and cash equivalents and foreign currency forwards are maintained with reputable banks with ratings that are acceptable based on the established internal policy of the Group. Based on the assessment of the Management Board, there are no significant credit risks related to the cash and cash equivalents and foreign currency forwards maintained with banks.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's policy over liquidity risk is that it will seek to have sufficient liquidity to meet its liabilities and obligations when due.

The Group manages liquidity risk by maintaining adequate cash and cash equivalents and borrowing facilities to finance day-to-day operations and long-term projects. The Group also regularly monitors the forecast and actual cash requirements and matches the maturity profiles of the Group's financial assets and financial liabilities.

The following are the contractual maturities of the financial liabilities of the Group, including estimated interest payments:

	31 December 2014			**31 December 2013**		
In thousands of Pounds Sterling	**Carrying amount**	**Contractual cash flows**	**Less than one year**	**Carrying amount**	**Contractual cash flows**	**Less than one year**
Non-derivative financial liabilities						
Loans and borrowings (see Note 14)	**12,526**	**12,671**	**12,671**	-	-	-
Trade payables	**107**	**107**	**107**	88	88	88
Other payables	**2,713**	**2,713**	**2,713**	2,584	2,584	2,584
	15,346	**15,491**	**15,491**	2,672	2,672	2,672

At 31 December 2014 and 2013, the Company was not in breach of any of the covenants under the credit facility. The Company has operated and continues to operate comfortably within covenant limits.

Additionally, the Company has the ability to issue up to 10% of its issued share capital via tap issues in order to finance further acquisitions.

All external financial liabilities of the Company have maturities of less than one year. The Company has sufficient cash and cash equivalents and funding sources to pay currently maturing obligations.

MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group buys derivative financial instruments, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within certain internal guidelines. When circumstances allow, the Group seeks to apply hedge accounting in order to manage volatility in profit or loss.

Currency risk

The Group is exposed to currency risk as a result of its underlying FVPL investments and cash and cash equivalents denominated in currencies other than Pounds Sterling. The currencies in which these items are primarily denominated are Pounds Sterling (£), Canadian Dollars (CAD), Australian Dollars (AUD), Euros (EUR), Norwegian Kroner (NOK) and US Dollars (USD).

From time to time, the Group enters into forward currency contracts to fix the foreign exchange rates in respect of a portion of future expected distributions to be received from the individual project entities which are not denominated in Pounds Sterling. Any currency rate hedging transactions were and will only be undertaken for the purpose of assisting the Company in meeting its dividend distribution targets. Hedging transactions have not and will not be undertaken for speculative purposes. The management reviews the hedging strategy on an annual basis.

In respect of other monetary assets and liabilities denominated in currencies other than Pounds Sterling, the Group's policy is to ensure that its net exposure is kept at an acceptable level. The Company believes that foreign exchange exposure is part of an international portfolio, but believes the risk is partially mitigated by having exposure to a number of different currencies including the Australian Dollar, Canadian Dollar, US Dollar, Euro and Norwegian Krone, all of which can provide diversification benefits. The Management Board spent considerable time discussing its hedging policy and believes it remains appropriate and cost-effective to continue with its four-year rolling hedge policy.

There will be periods where the global nature of the Group's portfolio produces positive foreign exchange impacts on valuation and other times when the reverse is true. Overall, the Management Board believes that with the current hedging program in place, the global nature of the portfolio produces benefits (geographic diversification, no undue reliance on one market, increased counterparty diversification, etc.) which are greater than the potential downsides.

The summary of the quantitative data about the Group's exposure to foreign currency risk provided to the management is as follows:

	31 December 2014				
In thousands of Pounds Sterling	**CAD**	**EUR**	**AUD**	**NOK**	**USD**
Investments at fair value through profit or loss	**131,362**	**18,824**	**70,593**	**29,288**	**17,861**
Trade and other receivables	**-**	**248**	**-**	**-**	**-**
Cash and cash equivalents	**1,813**	**2,120**	**12**	**2**	**202**
Trade payables	**(2)**	**(42)**	**-**	**-**	**-**
Other payables	**(6)**	**(2,334)**	**-**	**(112)**	**-**
	133,167	**18,816**	**70,605**	**29,178**	**18,063**

	31 December 2013				
In thousands of Pounds Sterling	**CAD**	**EUR**	**AUD**	**NOK**	**USD**
Investments at fair value through profit or loss	130,126	9,700	44,022	20,849	-
Trade and other receivables	-	533	-	-	-
Cash and cash equivalents	991	953	26,657	5	18,095
Trade payables	-	(88)	-	-	-
Other payables	-	(2,157)	-	-	-
	131,117	8,941	70,679	20,854	18,095

The significant exchange rates applied during the years ended 31 December 2014 and 31 December 2013 are as follows:

	31 December 2014	
	Average GBP	**Spot rate GBP**
CAD 1	**0.550**	**0.554**
EUR 1	**0.806**	**0.783**
AUD 1	**0.548**	**0.525**
NOK 1	**0.097**	**0.086**
USD 1	**0.607**	**0.644**

	31 December 2013	
	Average GBP	**Spot rate GBP**
CAD 1	0.621	0.567
EUR 1	0.849	0.835
AUD 1	0.620	0.538
NOK 1	0.109	0.099
USD 1	0.640	0.607

The impact of strengthening (weakening) of Pounds Sterling against the CAD, EUR, AUD, NOK and USD by 10% at 31 December 2014 and 2013 on FVPL investments is disclosed in Note 16 to the consolidated financial statements. This analysis is based on the foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular, interest rates, remains constant and ignores any impact of forecasted revenues, hedging instruments and other related costs.

Interest rate risk

Except for the loans and other receivables from Project Entities which is included as part of FVPL investments, the Group does not account for other fixed rate financial assets and liabilities at fair value through profit or loss. For the year ended 31 December 2014 and 2013, the only variable interest rate exposure of the Group is on the interest rates on the Group's cash and cash equivalents maintained with the banks, loan and borrowings and on the deposit rates used in valuing the SPCs. A 100 basis point change in the interest rates on the cash and cash equivalents and loans and borrowings at the reporting date would not significantly affect profit or loss. A change in the deposit rates used in valuing the SPCs would have an impact in the value of such SPC and a corresponding impact on the Group's FVPL investments and in the consolidated profit or loss during the year (see Note 16).

Investment risk

The valuation of FVPL investments depends on the ability of the Group to realise cash distributions from SPCs. The distributions to be received from the SPCs are dependent on cash received by a particular SPC from the service concession agreements. The service concession agreements are predominantly granted to the SPC by a variety of public sector clients including, but not limited to, central government departments, and local, provincial and state government, and corporations set up by the public sector.

The Group predominantly makes investments in countries where the Directors consider that project structures are reliable, where (to the extent applicable) public sector counterparties carry, what the Directors consider to be an appropriate credit risk, or alternatively where insurance or guarantees are available for the sovereign credit risk, where financial markets are relatively mature and where a reliable judicial system exists to facilitate the enforcement of rights and obligations under the projects.

The management continuously monitors the ability of a particular SPC to make distributions to the Group. During the year, there have been no significant concerns raised in relation to current and future distributions to be received from any of the SPCs.

CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to ensure the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for further stakeholders and to maintain an optimal capital structure while seeking to minimise the cost of capital. The Company, at a Group level, views the share capital (see Note 12) and the revolving credit facility (see Note 14) as capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, increase the current credit facility or issue new shares. The Company has targeted a minimum 5.76 pence dividend per annum from 2015 onwards. However, it is important to note that this is only a target and not a profit forecast. There can be no assurance that this target will be met.

The Group regularly reviews compliance with Luxembourg regulations regarding restrictions on minimum capital. During the year covered by these financial statements, the Group complied with all externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the year.

DERIVATIVE FINANCIAL ASSETS AND LIABILITIES NOT DESIGNATED AS CASH FLOW HEDGE

The Group has entered into foreign currency forwards to fix the foreign exchange rates on certain distributions that are expected to be received. The derivative financial instruments (asset/liability) in the consolidated statement of financial position represent the fair value of foreign currency forwards which were not designated as hedges. The movements in their fair value are directly charged/credited in the consolidated income statement. As of 31 December 2014, the Group recognised a derivative financial asset of £1,132,000 and during the year recognised a gain on fair value adjustment on such arrangement amounting to £415,000. As of 31 December 2013, the Group recognised a derivative financial asset of £1,262,000 and during the year recognised a gain on fair value adjustment on such arrangement amounting to £1,333,000. The total realised gain on the derivative financial asset during 2014 amounted to £545,000 (2013 realised loss: £153,000).

16. FAIR VALUE MEASUREMENTS

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position are as follows:

	31 December 2014				
In thousands of Pounds Sterling	**Fair value through profit or loss**	**Loans and receivables**	**Other financial liabilities**	**Total carrying amount**	**Fair value**
Assets					
Investment at fair value through profit or loss	**454,940**	**-**	**-**	**454,940**	**454,940**
Trade and other receivables	**-**	**577**	**-**	**577**	**577**
Cash and cash equivalents	**25,264**	**-**	**-**	**25,264**	**25,264**
Derivative financial instruments	**1,132**	**-**	**-**	**1,132**	**1,132**
	481,336	**577**	**-**	**481,913**	**481,913**
Liabilities					
Loans and borrowings	**-**	**-**	**12,526**	**12,526**	**12,671**
Trade payables	**-**	**-**	**107**	**107**	**107**
Other payables	**-**	**-**	**2,713**	**2,713**	**2,713**
	-	**-**	**15,346**	**15,346**	**15,491**

	31 December 2013				
In thousands of Pounds Sterling	**Fair value through profit or loss**	**Loans and receivables**	**Other financial liabilities**	**Total carrying amount**	**Fair value**
Assets					
Investment at fair value through profit or loss	324,051	-	-	324,051	324,051
Trade and other receivables	-	1,307	-	1,307	1,307
Cash and cash equivalents	126,321	-	-	126,321	126,321
Derivative financial instruments	1,262	-	-	1,262	1,262
	451,634	1,307	-	452,941	452,941
Liabilities					
Loans and borrowings	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-
Trade payables	-	-	88	88	88
Other payables	-	-	2,584	2,584	2,584
	-	-	2,672	2,672	2,672

INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS

The valuation of investments at fair value through profit or loss is carried out on a six-monthly basis as at 30 June and 31 December each year. An independent third-party valuer has reviewed this valuation.

The valuation is determined using discounted cash flow methodology. The cash flows forecasted to be received by the Company or its subsidiaries, generated by each of the underlying assets, and adjusted as appropriate to reflect the risk and opportunities, have been discounted using project-specific discount rates. The valuation methodology is the same one used for the valuation of the portfolio of the Company at 31 December 2013.

The Group uses certain macroeconomic assumptions for the cash flows which include indexation rates, deposit interest rates, corporate tax rates and foreign currency exchange rates. Assumptions on the indexation rates, deposit interest rates and tax rates are below:

End of period	31-Dec-15	31-Dec-16	31-Dec-17	Long term
UK				
Indexation (%) (1)	1.75	2.75	2.75	2.75
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%)	20.0	20.0	20.0	20.0
Canada				
Indexation (%) (1,2)	1.00/1.35	2.00/2.35	2.00/2.35	2.00/2.35
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%) (3)	25.0/26.0/26.5	25.0/26.0/26.5	25.0/26.0/26.5	25.0/26.0/26.5
GBP/CAD as at 31 December 2014 (4)	1.806	1.806	1.806	1.806
Australia				
Indexation (%) (1,5)	1.50	2.50	2.50	2.50
Deposit Interest Rate (%) (6)	4.00/5.00	4.00/5.00	4.00/5.00	4.00/5.00
SPC Corporate Tax (%)	30.0	30.0	30.0	30.0
GBP/AUD as at 31 December 2014 (4)	1.904	1.904	1.904	1.904
Germany				
Indexation (%) (1)	1.00	2.00	2.00	2.00
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Corporate Tax (%) (7)	15.8	15.8	15.8	15.8
GBP/EUR as at 31 December 2014 (4)	1.278	1.278	1.278	1.278
Norway				
Indexation (%) (1,8)	1.94	2.94	2.94	2.94
Deposit Interest Rate (%)	1.8	2.5	4	4
SPC Corporate Tax (%)	27.0	27.0	27.0	27.0
GBP/NOK as at 31 December 2014 (4)	11.564	11.564	11.564	11.564
USA				
Indexation (%) (1)	1.50	2.50	2.50	2.50
Deposit Interest Rate (%)	1.0	2.0	3.0	3.0
SPC Federal Tax/Indiana State Tax (%)	35.0/4.2	35.0/4.2	35.0/4.2	35.0/4.2
GBP/USD as at 31 December 2014 (4)	1.553	1.553	1.553	1.553

(1) Due to the current economic environment, the indexation rates used for the 12 months to 31 December 2015 have been reduced compared to those rates reported in June 2014.

(2) All Canadian projects have a long-term 2.0% indexation factor with the exception of Northeast Stoney Trail and Northwest Anthony Henday Drive which have a slightly different indexation factor which is derived from a basket of regional labour, CPI and commodity indices.

(3) Tax rate is 25% in Alberta, 26% in British Columbia and 26.5% in Ontario.

(4) As published on www.oanda.com.

(5) Long-term CPI 2.50% / Long-term LPI 3.50%.

(6) Cash on Debt Service Reserve Accounts and Maintenance Service Reserve Accounts can be invested on a six-month basis. Other funds are deposited on a shorter term.

(7) Including Solidarity charge, excluding Trade tax which varies between communities.

(8) Indexation of revenue based on basket of four specific indices.

DISCOUNT RATE SENSITIVITY

The discount rates used for the valuation of individual assets range between 7.8% and 10.5% which, on a weighted average basis, is approximately 8.21%. The discount rate used for individual project entities is based on the Management Board's knowledge of the market, discussions with advisers and publicly available information on relevant transactions.

A 1% increase or decrease in discount rates used in the valuation of fair value through profit and loss investments would impact equity and profit or loss (after considering deferred tax impact) as follows:

	Decrease by 1%		**Increase by 1%**	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2014	**49,494**	**49,494**	**(42,239)**	**(42,239)**
31 December 2013	34,900	34,900	(29,713)	(29,713)

INFLATION SENSITIVITY

The project cash flows are positively correlated with inflation (e.g. RPI or CPI). The table below demonstrates the effect of a change in inflation rates compared to the macroeconomic assumptions above.

	Increase by 1%		**Decrease by 1%**	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2014	**31,262**	**31,262**	**(29,900)**	**(29,900)**
31 December 2013	27,359	27,359	(25,762)	(25,762)

FOREIGN EXCHANGE RATE SENSITIVITY

	Increase by 10% (1)		**Decrease by 10%** (1)	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2014	**(22,260)**	**(22,260)**	**27,207**	**27,207**
31 December 2013	(16,795)	(16,795)	20,528	20,528

(1) Sensitivity in comparison to the assumptions as set out in the macroeconomic assumptions above, derived by applying a 10% increase or decrease to the rate GBP/foreign currency.

DEPOSIT RATE SENSITIVITY

The project cash flows are correlated with the deposit rates. The table below demonstrates the effect of a change in deposit rates compared to the macroeconomic assumptions above.

	Increase by 1%		**Decrease by 1%**	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2014	**11,157**	**11,157**	**(10,838)**	**(10,838)**
31 December 2013	8,496	8,496	(8,431)	(8,431)

LIFE-CYCLE COSTS SENSITIVITY

Out of the Group's 36 PPP/PFI projects, 12 project companies retain the life-cycle obligations. The remaining 24 projects have this obligation passed down to the subcontractors. The table below demonstrates the impact of a change in life-cycle costs.

	Increase by 10%		**Decrease by 10%**	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2014	**(11,537)**	**(11,537)**	**10,179**	**10,179**
31 December 2013	(5,441)	(5,441)	5,645	5,645

(1) Sensitivity applied to the 12 projects retaining the life-cycle obligation, i.e. not passed down to the subcontractor. These projects represent 52% of the total portfolio value as at 31 December 2014.

DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of derivative financial instruments (foreign exchange forwards) is calculated by discounting the difference between the contractual forward rate and the estimated forward exchange rates at the maturity of the forward contract. The estimated forward exchange rates are determined by counterparty banks.

OTHER ITEMS

The carrying amounts of cash and cash equivalents, receivables and payables that are payable within one year, or on demand, are assumed to be their respective fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table shows the grouping of assets (liabilities) recognised at fair value under their respective levels as of 31 December 2014:

In thousands of Pounds Sterling	Level 1	Level 2	Level 3	Total
Investment at fair value through profit or loss	**-**	**-**	**454,940**	**454,940**
Derivative financial asset (liability)	**-**	**1,132**	**-**	**1,132**

The following table shows the grouping of assets (liabilities) recognised at fair value in different levels as of 31 December 2013:

In thousands of Pounds Sterling	Level 1	Level 2	Level 3	Total
Investment at fair value through profit or loss	-	-	324,051	324,051
Derivative financial asset (liability)	-	1,262	-	1,262

The following table shows a reconciliation from the beginning balances to the ending balances for the fair value measurements in level 3 of the fair value hierarchy:

In thousands of Pounds Sterling	31 December 2014	31 December 2013
Balance at 1 January	**324,051**	218,116
Acquisition of FVPL investments	**117,560**	97,852
Income from FVPL investments	**46,400**	25,429
Distributions received from FVPL investments	**(32,983)**	(17,450)
Cash paid in hedging acquisition prices of FVPL investments	**-**	701
Translation reserve/foreign exchange gain (loss)	**-**	(597)
Reclassification to other receivables/payables	**(88)**	-
	454,940	324,051

The impact of unrealised foreign exchange gain or loss on the investments at fair value through profit or loss for the year ended 31 December 2014 amounted to £8.7 million loss (2013: £11.4 million loss).

The fair value of investments at fair value through profit or loss is determined using future cash flows (using certain macroeconomic assumptions for the cash flows which include indexation rates, deposit interest rates, corporate tax rates and foreign currency exchange) related to the specific projects. The cash flows are discounted at the applicable discount rate for companies involved in service concession projects. A material change in the macroeconomic assumptions and discount rates used for such valuation could have a significant impact on the reported fair values of such assets.

17. SUBSIDIARIES

During the year ended 31 December 2014, the Company had the following consolidated subsidiaries ("Holding Companies" if referred to individually) which are included in the consolidated financial statements.

	Country of Incorporation	**Effective Ownership Interest**	**Date Acquired/ Established**
BBGI SICAV S.A.	Luxembourg	Ultimate Parent	03 Oct 2011
BBGI Management HoldCo S.à r. l.	Luxembourg	100%	20 Oct 2011
BBGI Inv S.à r. l. (previously BBGI S.à r. l.)	Luxembourg	100%	28 Mar 2012
BBGI Investments S.C.A.	Luxembourg	100%	28 Mar 2012
BBGI (NI) Limited	UK	100%	06 Dec 2013
BBGI Holding Limited	UK	100%	6 Feb 2012
BBGI CanHoldco Inc.	Canada	100%	12 Jun 2013
BBGI Guernsey Holding Limited	Guernsey	100%	12 Dec 2013

The Company's subsidiaries which are not consolidated, given that the Company is an Investment Entity, are as follows:

SPCs	**Project Name**	**Country of Incorporation**	**Effective Ownership Interest**	**Date Acquired**
RW Health Partnership Holdings Pty Limited	Royal Women's	Australia	100.0%	2012
RWH Health Partnership Pty Limited	Royal Women's	Australia	100.0%	2012
RWH Finance Pty Limited	Royal Women's	Australia	100.0%	2012
Victoria Correctional Infrastructure Partnership Pty Ltd.	Victoria Prisons	Australia	100.0%	2012
BBPI Sentinel Holdings Pty Ltd.	Northern Territory Secure Facilities	Australia	100.0%	2014
BBPI Sentinel Holding Trust	Northern Territory Secure Facilities	Australia	100.0%	2014
BBPI Sentinel Pty Ltd.	Northern Territory Secure Facilities	Australia	100.0%	2014
BBPI Member Trust	Northern Territory Secure Facilities	Australia	100.0%	2014
Golden Crossing Holdings Inc.	Golden Ears Bridge	Canada	100.0%	2012 and 2013
Golden Crossing Finance Inc.	Golden Ears Bridge	Canada	100.0%	2012 and 2013
Golden Crossing Investments Inc.	Golden Ears Bridge	Canada	100.0%	2012 and 2013
Golden Crossing Inc.	Golden Ears Bridge	Canada	100.0%	2012 and 2013

SPCs	Project Name	Country of Incorporation	Effective Ownership Interest	Date Acquired
Global Infrastructure Limited Partnership	Golden Ears Bridge	Canada	100.0%	2012 and 2013
Golden Crossing General Partnership	Golden Ears Bridge	Canada	100.0%	2012 and 2013
BBGI KVH Holdings Inc.	Kelowna and Vernon Hospitals	Canada	100.0%	2013
BBGI KVH Inc.	Kelowna and Vernon Hospitals	Canada	100.0%	2013
WCP Holdings Inc.	Women's College Hospital	Canada	100.0%	2013
WCP Inc.	Women's College Hospital	Canada	100.0%	2013
WCP Investments KVH Inc.	Women's College Hospital	Canada	100.0%	2013
Women's College Partnership	Women's College Hospital	Canada	100.0%	2013
Stoney Trail Group Holdings Inc.	Northeast Stoney Trail	Canada	100.0%	2013
Stoney Trail LP Inc.	Northeast Stoney Trail	Canada	100.0%	2013
Stoney Trail Investments Inc.	Northeast Stoney Trail	Canada	100.0%	2013
Stoney Trail Inc.	Northeast Stoney Trail	Canada	100.0%	2013
Stoney Trail Global Limited Partnership	Northeast Stoney Trail	Canada	100.0%	2013
Stoney Trail General Partnership	Northeast Stoney Trail	Canada	100.0%	2013
PJB Beteiligungs – GmbH	Burg Prison	Germany	100.0%	2012
Projektgesellschaft Justizvollzug Burg GmbH & Co. KG	Burg Prison	Germany	90.0%	2012
PJB Management GmbH	Burg Prison	Germany	100.0%	2012
Adger OPS Vegselskap AS	E18	Norway	100.0%	2013 and 2014
Bedford Education Partnership Holdings Limited	Bedford Schools	UK	100.0%	2012
Bedford Education Partnership Limited	Bedford Schools	UK	100.0%	2012
Lisburn Education Partnership (Holdings) Limited	Lisburn College	UK	100.0%	2012
Lisburn Education Partnership Limited	Lisburn College	UK	100.0%	2012
Clackmannanshire Schools Education Partnership (Holdings) Limited	Clackmannanshire Schools	UK	100.0%	2012
Clackmannanshire Schools Education Partnership Limited	Clackmannanshire Schools	UK	100.0%	2012
Primaria (Barking & Havering) Limited	Barking Dagenham and Havering (LIFT)	UK	60.0%	2012

SPCs	Project Name	Country of Incorporation	Effective Ownership Interest	Date Acquired
Barking Dagenham Havering Community Ventures Limited	Barking Dagenham and Havering (LIFT)	UK	60.0%	2012
Barking & Havering LIFT (Midco) Limited	Barking Dagenham and Havering (LIFT)	UK	60.0%	2012
Barking & Havering LIFT Company (No. 1) Limited	Barking Dagenham and Havering (LIFT)	UK	60.0%	2012
East Down Education Partnership (Holdings) Limited	East Down Colleges	UK	66.7%	2012
East Down Education Partnership Limited	East Down Colleges	UK	66.7%	2012
Scottish Borders Education Partnership (Holdings) Limited	Scottish Borders Schools	UK	100.0%	2012
Scottish Borders Education Partnership Limited	Scottish Borders Schools	UK	100.0%	2012
Coventry Education Partnership Holdings Limited	Coventry Schools	UK	100.0%	2012
Coventry Education Partnership Limited	Coventry Schools	UK	100.0%	2012
Fire Support (SSFR) Holdings Limited	Staffordshire Fire Stations	UK	85.0%	2012
Fire Support (SSFR) Limited	Staffordshire Fire Stations	UK	100.0%	2012
Highway Management M80 Topco Limited	M80	UK	100.0%	2012
Tor Bank School Education Partnership (Holdings) Limited	Tor Bank	UK	100.0%	2013
Tor Bank School Education Partnership Limited	Tor Bank	UK	100.0%	2013
Mersey Care Development Company 1 Limited	Mersey Care	UK	76.2%	2013 and 2014
MG Bridge Investments Limited	Mersey Gateway	UK	100.0%	2014
Lagan College Education Partnership (Holdings) Limited	Lagan College	UK	100.0%	2014
Lagan College Education Partnership Limited	Lagan College	UK	100.0%	2014
Highway Management (City) Holding Limited	M1 Westlink	UK	100.0%	2014
Highway Management (City) Finance Plc	M1 Westlink	UK	100.0%	2014
Highway Management (City) Limited	M1 Westlink	UK	100.0%	2014
BBGI East End Holdings Inc.	Ohio River Bridges	USA	100.0%	2014

18. RELATED PARTIES AND KEY CONTRACTS

All transactions with related parties were undertaken on an arm's-length basis.

SUPERVISORY BOARD FEES

The aggregate remuneration of the directors of the Supervisory Board in their capacity as such was £140,000 (2013: £131,703). There are no outstanding amounts due as of 31 December 2014.

In addition, each Supervisory Board member received an *ex gratia* payment of £20,000 for work done in 2013 with respect to two capital raises.

The Chairman of the Supervisory Board currently receives a fee of £55,000 (2013: £45,000) per annum, and both the Chairman of the Audit Committee and the Senior Independent Director each receive a fee of £42,500 (2013: £32,500) per annum.

DIRECTORS' SHAREHOLDING IN THE COMPANY

In thousands of shares	**31 December 2014**	**31 December 2013**
David Richardson	**155**	152
Colin Maltby	**102**	100
Frank Schramm	**176**	172
Duncan Ball	**176**	172
Michael Denny	**36**	35
	645	631

REMUNERATION OF THE MANAGEMENT BOARD

Under the current remuneration programme, all employees of BBGI Management HoldCo are entitled to an annual base salary payable monthly in arrears, which is reviewed annually by the Management Board. Certain senior executives are entitled to a fixed fee under their service/employment contracts. These executives are also entitled to participate in a short-term incentive plan ("STIP")/annual bonus and a long-term incentive plan ("LTIP"). Compensation under the executive's service/employment contract is reviewed annually by the Supervisory Board.

The total short-term and other long-term benefits provided to key management personnel are as follows:

In thousands of Pounds Sterling	**31 December 2014**	**31 December 2013**
Short-term benefits	**1,347**	1,004
Other long-term benefits	**522**	348
	1,869	1,352

RECEIVABLE COMPONENT OF FVPL INVESTMENTS

As of 31 December 2014, the loan receivable component of FVPL investments amounted to £161,285,000 (2013: £121,820,000). The fixed interest charged on the receivables ranges from 3.95% to 13.5% per annum. The receivables have expected full repayment dates from 2017 to 2045.

TRADE AND OTHER RECEIVABLES

Trade and other receivables include a short-term receivable from projects amounting to £329,000 (2013: £774,000). The remaining amount pertains to third-party receivables.

19. COMMITMENTS AND CONTINGENCIES

The Group has engaged in the ordinary course of business, the services of certain entities to provide, legal, custodian, audit, tax and other services to the Company. The expenses incurred in relation to such are treated as legal and professional fees (see Note 5).

MHC leases its current office under a cancellable operating lease agreement. The expenses incurred in relation to such are treated as administration expenses (see Note 5).

20. SUBSEQUENT EVENTS

In January 2015, the Company secured a new three-year revolving credit facility of £80 million from ING Bank and KfW IPEX-Bank (£80 million Revolving Credit Facility). BBGI retains the flexibility to consider larger transactions by virtue of having structured a further £100 million incremental accordion tranche, for which no commitment fees are paid, which allows it to increase the facility to £180 million, at BBGI's option. This facility replaces the £35 million Revolving Credit Facility, which was due to expire in July 2015.

21. SERVICE CONCESSION AGREEMENTS

As of 31 December 2014 the Group operates 36 projects (see also Note 9) with a weighted average concession length of 24.2 years. The weighted average debt maturity is 21.3 years. The Group has a diverse asset mix from which the service concession receivables are derived and which is composed of lower risk availability-based projects.

The rights of both the concession provider and concession operator are stated within the specific project agreement. The standard rights of the provider to terminate the project typically include poor performance, in the event of *force majeure* and voluntary termination rights of the concession provider. The operator's right to terminate the project include failure of the provider to make payments under the agreement, a material breach of contract and relevant changes of law which would render it impossible for the service company to fulfil its requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2014

The following table summarizes the main information about the Group's outstanding service concession agreements:

Sector	Project Name	% equity owned on Project	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase) Start Date	Period of Concession (Operational Phase) End Date	Investment Volume
Availability Roads	Kicking Horse Canyon	50%	Design, build, finance and operate a 26 km stretch of the Trans-Canada Highway, a vital gateway to British Columbia.	Operational	September 2007	October 2030	CAD 148 million
	Golden Ears Bridge	100%	Design, build, finance and operate the Golden Ears Bridge that spans the Fraser River and connects Maple Ridge and Pitt Meadows to Langley and Surrey.	Operational	June 2009	June 2041	CAD 1,117 million
	Northwest Anthony Henday Drive	50%	Partly design, build, finance and operate a major transport infrastructure project in Canada, a ring road through Edmonton, capital of the province of Alberta.	Operational	November 2011	October 2041	CAD 1,170 million
	M80	50%	Design, build finance and operate 18 km of dual two/three-lane motorways with associated slip roads and infrastructure from Stepps in North Lanarkshire to Haggs in Falkirk.	Operational	January 2009	September 2041	£310 million
	E18 Motorway	100%	Operate and maintain a new section of highway between Grimstad and Kristiansand in Norway. The 38 km dual carriageway carves through a rugged and extremely beautiful landscape.	Operational	August 2009	August 2034	NOK 3,604 million
	Northeast Stoney Trail	100%	Operate and maintain a 21 km section of new highway, forming part of a larger ring road developed in Calgary, Alberta, Canada.	Operational	November 2009	October 2039	CAD 424 million
	Ohio River Bridges	33.33%	Availabilty-fee DBFO East End Bridge Project entails a cable-stay bridge, a tunnel and the connecting highway with a total length of 8 miles crossing the Ohio river in the greater Louisville-Southern Indiana region.	In Construction	October 2016	September 2051	USD 1,175 million
	Mersey Gateway Bridge	37.5%	Construction of a new circa 1 km long six-lane cable-stay bridge (three towers) over the Mersey River to relieve the congested and ageing Silver Jubilee Bridge and upgrading works for 9.5 km of existing roads and associated structures.	In Construction	October 2017	March 2044	£650 million
	M1 Westlink	100%	DBFO project with significant amount of construction work to upgrade key sections of approx. 60 km of motorway through the heart of Belfast, incl. O&M of the complete motorway.	Operational	February 2006	February 2036	£161 million
Justice	Victoria Prisons	100%	Design, build, finance and operate, for a period of 25 years, two new correctional facilities for the State of Victoria, Australia (MCC and MRC).	Operational	March 2006 (MRC)/ February 2006 (MCC)	May 2031	AUD 244.5 million
	Burg Prison	90%	Design, build, finance and operate for a concession period of 25 years, a new prison for the State of Saxony-Anhalt, Germany.	Operational	May 2009	April 2034	EUR 100 million

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2014

Sector	Project Name	% equity owned on Project	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase)		Investment Volume
					Start Date	End Date	
Justice (continued)	Northern Territory Secure Facilities	50%	New correctional facility, located near Darwin, including three separate centres of the 1,048 bed multi-classification men's and women's correctional centre and 24- bed Complex Behaviour Unit.	Operational	November 2014	October 2034	AUD 620 million
Education	Bedford Schools	100%	Design, build, finance and operate the redevelopment of two secondary schools in the County of Bedfordshire.	Operational	June 2006	December 2035	£29 million
	Coventry Schools	100%	Design, build, finance and operate new school and community facilities for the Coventry City Council.	Operational	In stages from March 2006 to June 2009	December 2034	£27 million
	Kent Schools	50%	Design, build, finance and operate the redevelopment which included the construction of new build elements for each school as well as extensive reconfiguration and refurbishment.	Operational	June 2007	September 2035	£106 million
	Scottish Borders Schools	100%	Design, build, finance and operate three new secondary schools for the Scottish Borders Council.	Operational	July 2009	November 2038	£92 million
	Clackmannanshire Schools	100%	Design, build, finance and operate the redevelopment of three secondary schools in Clackmannanshire, Scotland.	Operational	In stages from January – May 2009	March 2039	£77 million
	East Down College	66.67%	Design, build, finance and operate East Down Colleges in Northern Ireland.	Operational	June 2009	May 2036	£73.8 million (with Lisburn College)
	Lisburn College	100%	Design, build, finance and operate Lisburn College in Northern Ireland.	Operational	April 2010	May 2036	£73.8 million (with East Down College)
	Tor Bank School	100%	Develop, fund, build, operate and manage a new school for pupils with special education needs in Northern Ireland.	Operational	October 2012	October 2037	£13 million
	Lagan College	100%	Construction and redevelopment of one school entity in Northern Ireland.	Operational	October 2013	September 2038	£33 million
	Cologne Schools	50%	Construction and redevelopment of five schools in Cologne.	Operational	April 2005	December 2029	EUR 32 million
	Cologne-Rodenkirchen School	50%	Construction of one school for approx. 1,200 pupils in Cologne.	Operational	November 2007	November 2034	EUR 40 million
	Frankfurt Schools	50%	Construction and redevelopment of four schools in Frankfurt.	Operational	August 2007	July 2029	EUR 89 million
Health	Gloucester Hospital	50%	Design, build, finance and operate a hospital scheme in Gloucester, England.	Operational	April 2005	February 2034	£38 million

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2014

Sector	Project Name	% equity owned on Project	Short Description of Concession Arrangement	Phase	Period of Concession (Operational Phase)		Investment Volume
					Start Date	End Date	
Health (continued)	Liverpool & Sefton Clinics	53.33%	Design, build, finance and operate and manage primary healthcare facilities in Liverpool and Sefton.	Operational	In 7 tranches starting April 2005 and ending February 2013	In 7 tranches starting November 2037 and ending February 2043	£91.5 million
	North London Estates Partnership (formerly Barnet and Haringey Clinics)	53.33%	Design, build, finance and operate primary healthcare facilities of the Barnet, Enfield and Haringey LIFT programme.	Operational	In 4 tranches starting February 2006 and ending June 2013	In 4 tranches starting January 2031 and ending June 2043	£86 million
	Barking Dagenham and Havering Clinics	60%	Design, build finance and operate 10 facilities/ clinics in East London with project construction completions between 2005 and 2009.	Operational	In 3 tranches starting October 2005 and ending October 2008	In 3 tranches starting September 2030 and ending September 2033	£88 million
	Royal Women's Hospital	100%	Design, build, finance and operate a new nine-storey Royal Women's Hospital in Melbourne.	Operational	June 2008	June 2033	AUD 316 million
	Mersey Care Hospitals (part of Liverpool & Sefton Clinics above)	76.2%	Design, build, finance and operate a new mental health in-patient facility on the former Walton Hospital site in Liverpool, UK.	Operational	December 2014	December 2044	£24 million
	Kelowna and Vernon Hospitals	50%	Operate and maintain a new Patient Care Tower, a new University of British Columbia Okanagan Clinical Academic Campus and car park at Kelowna General Hospital, and a new Patient Care Tower at Vernon Jubilee Hospital.	Operational	January 2012	August 2042	CAD 432.9 million
	Women's College Hospital	100%	Design, build, finance and operate the new Women's College Hospital in Toronto, Ontario, Canada.	First phase is operational; second and final phase is expected to be operational in March 2016	May 2013 (first phase, H2 2015 (Phase two), March 2016 (final phase)	May 2043	CAD 272.7 million
Others	Staffordshire Fire Stations	85%	Design, build, finance and operate 10 new community fire stations in Stoke-on-Trent and Staffordshire, UK.	Operational	November 2011	October 2036	£47 million
	Unna Administrative Centre	44.1%	Design, build, finance and operate the administration building of the Unna District in Rhine-Westphalia, Germany.	Operational	July 2006	July 2031	EUR 24 million
	Fürst Wrede Military Base	50%	Refurbishment and new construction of a 32-hectare army barracks in Munich.	Operational	March 2008	March 2028	EUR 48 million
	Avon and Somerset Police Headquarters	34.93%	Design, build, finance and maintenance of four new-build police and custody facilities in the Avon and Somerset region.	Three sites operational, one to open in July 2015	July 2014	March 2039	£83 million

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The following pages show the Company’s standalone financial statements

COMPANY STATEMENT OF COMPREHENSIVE INCOME

In thousands of Pounds Sterling	Note	Year ended 31 December 2014	Year ended 31 December 2013
Administration expenses	4	**(4,558)**	(5,210)
Other operating expenses	5	**(531)**	(1,713)
Other operating income		**126**	-
Results from operating activities		**(4,963)**	(6,923)
Finance income	6	**25,959**	12,101
Finance costs	11	**(972)**	(499)
Net finance income		**24,987**	11,602
Profit before tax		**20,024**	4,679
Tax expense	7	**(227)**	(140)
Profit from continuing operations		**19,797**	4,539
Attributable to :			
Owners of the Company		**19,797**	4,539
Earnings per share			
Basic earnings per share	10	**4.65**	1.75
Diluted earnings per share	10	**4.65**	1.75

The accompanying notes form an integral part of the Company's financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

In thousands of Pounds Sterling	Note	31 December 2014	31 December 2013
Assets			
Loans receivable from subsidiary	13	**404,710**	299,820
Investment in subsidiary	14	**2,000**	2,000
Other non-current assets	11	**-**	415
Non-current assets		**406,710**	302,235
Loan receivable from subsidiary	13	**12,659**	-
Receivables from affiliated companies		**158**	964
Other current assets		**59**	45
Cash and cash equivalents	8	**20,412**	125,308
Current assets		**33,288**	126,317
Total assets		**439,998**	428,552
Equity			
Share capital	9	**434,818**	434,322
Retained earnings		**(17,869)**	(13,697)
Equity attributable to owners of the Company		**416,949**	420,625
Total equity		**416,949**	420,625
Liabilities			
Loans and borrowings	11	**12,526**	-
Trade payables	13	**9,819**	6,517
Other payables		**647**	1,354
Current tax liabilities	7	**57**	56
Current liabilities		**23,049**	7,927
Total liabilities		**23,049**	7,927
Total equity and liabilities		**439,998**	428,552
Net asset value	9	**416,949**	420,625
Net asset value per ordinary share (pence)	9	**97.89**	98.84

The accompanying notes form an integral part of the Company's financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

In thousands of Pounds Sterling	Note	Share capital	Retained earnings	Total equity
Balance at 1 January 2013		**208,807**	**(4,338)**	**204,469**
Total comprehensive income for the year				
Profit for the year		**-**	**4,539**	**4,539**
Transactions with owners of the Company, recognised directly in equity				
Cash dividends	9	**-**	**(13,898)**	**(13,898)**
Issuance of additional share capital – net of share issuance cost	9	**225,515**	**-**	**225,515**
Balance at 31 December 2013		**434,322**	**(13,697)**	**420,625**
Total comprehensive income for the year				
Profit for the year		**-**	**19,797**	**19,797**
Transactions with owners of the Company, recognised directly in equity				
Cash dividends	9	**-**	**(23,567)**	**(23,567)**
Scrip dividends	9	**402**	**(402)**	**-**
Share issuance costs	9	**94**	**-**	**94**
Balance at 31 December 2014		**434,818**	**(17,869)**	**416,949**

The accompanying notes form an integral part of the Company's financial statements.

COMPANY STATEMENT OF CASH FLOWS

In thousands of Pounds Sterling	Note	Year ended 31 December 2014	Year ended 31 December 2013
Cash flows from operating activities			
Profit for the year		**19,797**	4,539
Adjustments for:			
- Net finance cost (income)	6,11	**(24,987)**	(11,602)
- Foreign exchange loss (gain)		**(126)**	969
- Tax expense	7	**227**	140
		(5,089)	(5,954)
Changes in:			
- Receivables from affiliated companies		**969**	(597)
- Other current assets		**(14)**	27
- Trade payables		**3,396**	3,899
- Other payables		**(707)**	887
Cash generated from operating activities		**(1,445)**	(1,738)
Interest paid		**(690)**	(223)
Taxes paid		**(226)**	(111)
Net cash flows from operating activities		**(2,361)**	(2,072)
Cash flows from investing activities			
Interest received		**25,796**	11,612
Loans provided to subsidiary		**(119,277)**	(99,479)
Loan repayment from subsidiary		**1,728**	3,146
Net cash flows from investing activities		**(91,753)**	(84,721)
Cash flows from financing activities			
Proceeds from loans and borrowings	11	**12,659**	-
Dividends paid	9	**(23,567)**	(13,898)
Payments of loans and borrowings	11	**-**	(11,562)
Proceeds from issue of ordinary shares – net of share issuance costs	9	**-**	225,515
Net cash flows from financing activities		**(10,908)**	200,055
Net increase (decrease) in cash and cash equivalents		**(105,022)**	113,262
Impact of foreign exchange gain (loss) on cash and cash equivalents		**126**	(969)
Cash and cash equivalents at 1 January	8	**125,308**	13,015
Cash and cash equivalents at 31 December	8	**20,412**	125,308

The accompanying notes form an integral part of the Company's financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2014

1. REPORTING ENTITY

BBGI SICAV S.A. (previously Bilfinger Berger Global Infrastructure SICAV S.A.) ("BBGI", or the "Company") is an investment company incorporated in Luxembourg in the form of a public limited company (société anonyme) with variable share capital (société d'investissement à capital variable, or "SICAV") and regulated by the Commission de Surveillance du Secteur Financier ("CSSF") under Part II of Luxembourg Law of 17 December 2010 on undertakings for collective investments with an indefinite life. The Company qualifies as an alternative investment fund within the meaning of Article 1 (39) of the law of 12 July 2013 on alternative investment fund managers ("2013 Law") implementing Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 and is authorised as an internal alternative investment fund manager in accordance with Chapter 2 of the 2013 Law with effect from 07 October 2014. The Company's registered office is EBBC, 6E, route de Trèves, L-2633 Senningerberg, Luxembourg. The Company was admitted to the official list of the UK Listing Authority (premium listing, closed-ended investment fund) and to trading on the main market of the London Stock Exchange on 21 December 2011.

The Company is a closed-ended investment company that principally invests in a diversified portfolio of operational Public Private Partnership (PPP)/Private Finance Initiative (PFI) infrastructure assets or similar assets. The Company has limited investments in projects that are under construction.

The Company had no employees as of 31 December 2014 and 2013, respectively.

REPORTING PERIOD

The Company's reporting period runs from 1 January to 31 December, each year. The Company's statement of financial position, statement of comprehensive income, and statement of cash flows include comparative figures as at 31 December 2013. The amounts presented as non-current in the Company's statement of financial position are those which are expected to be settled after more than one year. The amounts presented as current are those which are expected to be settled within one year.

2. BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the provisions of the Standard of Recommended Practices issued by the Association of Investment Companies (AIC SORP).

These financial statements were approved by the Management Board and Supervisory Board on 26 March 2015.

CHANGES IN ACCOUNTING POLICY

The accounting policies, measurement and valuation principles applied by the Company in these financial statements are the same as those applied by the Company in its annual financial statements as of and for the year ended 31 December 2013.

BASIS OF MEASUREMENT

These financial statements have been prepared on the historical costs basis.

FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pounds Sterling, which is the Company's functional currency.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

In the process of applying the Company's accounting policies, which are described in Note 3, the management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

IMPAIRMENT TESTING FOR INVESTMENTS

Investment in subsidiary and loans receivable from subsidiary are measured at cost less accumulated impairment losses. Impairment is tested at least annually by comparing the cost of the loans and investments with the net present value of cash flows in relation to the investee (and its subsidiaries), based on internally generated models. The net present value of such assets are determined using future cash flows , using certain macroeconomic assumptions for the cash flows which include indexation rates, deposit interest rates, corporate tax rates and foreign currency exchange, related to the specific projects. The cash flows are discounted at the applicable discount rate for companies involved in service concession projects. A material change in the macroeconomic assumptions and discount rates used for such valuation could have a significant impact on the net present value of the cash flows. As of 31 December 2014, the Company believes that there is no impairment to be recorded on its investment in subsidiary and the loans and receivables from subsidiary.

GOING CONCERN BASIS OF ACCOUNTING

The Management Board has examined significant areas of possible financial risk including cash and cash requirements. They have not identified any material uncertainties which would cast significant doubt on the Company's ability to continue as a going concern for a period of not less than 12 months from the date of approval of the Company's financial statements. The Management Board has satisfied itself that the Company has adequate resources to continue in operational existence for the foreseeable future. After due consideration, the Management Board believes it is appropriate to adopt the going concern basis in preparing the Company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company.

FOREIGN CURRENCY

Foreign currency transactions
Transactions in foreign currencies are translated into Pounds Sterling at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Pounds Sterling at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into Pounds Sterling at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on translation are recognised in profit or loss as a gain or loss on currency translation.

FINANCIAL INSTRUMENTS

Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

In general, the Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate financial asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables, and available-for-sale financial assets.

At balance sheet date, except for the investment in subsidiary accounted at cost, all non-derivative financial assets of the Company have been classified as loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Non-derivative financial liabilities

The Company classifies non-derivative financial liabilities into the other financial liability category. Such financial liabilities are recognised initially at fair value less any direct attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Company derecognises a financial liability (or part of a financial liability) from the statement of financial position when, and only when, it is extinguished or when the obligation specified in the contract or agreement is discharged or cancelled or expired. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is considered in profit or loss.

Derivative financial instruments, including hedge accounting

The Company may hold derivative financial instruments to hedge its foreign currency, interest rate and other risk exposures.

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognised immediately in profit or loss.

IMPAIRMENT

Non-derivative financial assets

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or group of financial assets is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets(s), and that loss event(s) had an impact on the estimated future cash flows of the asset(s) that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

PROVISIONS

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to a liability. The unwinding of the discount is recognised as finance cost.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are held at cost less any impairment.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash balances and term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of change in their fair value, and are used by the Company in the management of its short-term commitments.

SHARE CAPITAL

Ordinary shares are classified as equity. Given that the Company has no contractual obligation to deliver cash or any other financial asset or to exchange financial assets or liabilities with another entity under conditions that are unfavourable, the Company classifies the issued shares to be equity rather than liability. Moreover, no shareholder has the right to request the redemption of issued shares.

Costs directly attributable to the issue of ordinary shares, or which are associated with the establishment of the Company, that would otherwise have been avoided are recognised as a deduction from equity, net of any tax effects.

FINANCE INCOME AND FINANCE COSTS

Interest income and expenses are recognised in profit or loss using the effective interest method.

The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, where appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. Interest received or receivable and interest paid or payable are recognised in profit or loss as finance income and finance costs, respectively.

OPERATING EXPENSES

All operating expenses are recognised in profit and loss on an accrual basis.

TAX

According to the Luxembourg regulations regarding SICAV companies, the Company itself is exempt from paying income and/or capital gains taxes in Luxembourg. It is, however, liable to an annual subscription tax of 0.05% of its total net assets on an investment basis (Investment Basis NAV), payable quarterly and assessed on the last day of each quarter.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The IASB and IFRIC have issued a number of standards and interpretations with an effective date after the beginning of the period of these financial statements. Management has set out below only those which may have an impact on the financial statements in future periods.

IFRS 9, Financial instruments

IFRS 9 published in July 2014, replaces the existing guidance on *IAS 39, Financial instruments: Recognition and Measurement*. IFRS 9 includes revised guidance on the classification and measurement of the financial instruments, including a new expected credit loss model for calculating impairment on financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financials instruments from IAS 39. IFRS 9 is not yet endorsed and adopted by the European Union; however, once endorsed, its estimated effective date will be 01 January 2018.

The Company is currently assessing the impact of the adoption of the above new standard on the financial statements.

4. ADMINISTRATION EXPENSES

In thousands of Pounds Sterling	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Support agreement fees (see Note 13)	**3,553**	3,937
Legal and professional fees	**473**	671
Other administration expenses	**532**	602
	4,558	5,210

During 2014, the audit fees, which are included in the legal and professional fees above, amounted to £152,000. During 2013, the audit and audit related fees which are included in the legal and professional fees above and share issuance expenses (see Note 9) amounted to £362,000.

5. OTHER OPERATING EXPENSES

In thousands of Pounds Sterling	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Acquisition related costs	**267**	509
Others	**264**	235
Foreign currency translation loss	**-**	969
	531	1,713

6. FINANCE INCOME

In thousands of Pounds Sterling	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Finance income from profit participating loans (see Note 13)	**25,148**	11,520
Finance income from projects	**450**	31
Interest income from deposits	**198**	60
Finance income from shareholder loan (see Note 13)	**163**	490
	25,959	12,101

7. TAXES

The composition of the current tax payables is as follows:

In thousands of Pounds Sterling	31 December 2014	31 December 2013
Current tax expense		
Subscription tax	**57**	56
	57	56

A reconciliation of the tax expense and the tax at applicable tax rate is as follows:

In thousands of Pounds Sterling	Year ended 31 December 2014	Year ended 31 December 2013
Profit before tax	**19,797**	4,539
Tax using the Company's domestic tax rate*	**-**	-
Subscription tax payable by the Company*	**227**	140
Tax charge for the year	**227**	140

*The Company is exempt from paying income and/or capital gains taxes in Luxembourg. It is, however, liable for an annual subscription tax of 0.05% of its Investment Basis NAV.

8. CASH AND CASH EQUIVALENTS

In thousands of Pounds Sterling	31 December 2014	31 December 2013
Bank balances/deposits	**20,412**	50,566
Term deposits	**-**	74,742
	20,412	125,308

The term deposits are composed of short-term investments with maturity of less than three months.

9. CAPITAL AND RESERVES

SHARE CAPITAL

The changes in the Company's share capital are as follows:

In thousands of Pounds Sterling	31 December 2014	31 December 2013
Share capital as of 01 January	**434,322**	208,807
Issuance of shares through placing, open offer and offer for subscription	**-**	230,000
Share issuance expenses	**94**	(4,485)
Share capital issued through scrip dividend	**402**	-
	434,818	434,322

The changes in the number of ordinary (no par value) shares issued by the Company are as follows:

	Ordinary shares	
In thousands of shares	31 December 2014	31 December 2013
On issue at beginning of the year	**425,574**	212,985
Shares issued during the year through placing, open offer and offer for subscription	**-**	212,589
Shares issued through scrip dividends	**343**	-
	425,917	425,574

All shares issued are fully paid. All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

DIVIDENDS

The following interim and final dividends were declared and paid by the Company during the year ended 31 December 2014:

In thousands of Pounds Sterling except as otherwise stated	**31 December 2014**
Final dividend of 2.75 pence per qualifying ordinary share – for the year ended 31 December 2013*	**11,703**
Interim dividend of 2.88 pence per qualifying ordinary share – for the period ended 30 June 2014	**12,266**
	23,969

*The final dividend for the year ended 31 December 2013, which was declared and paid during the year, is composed of cash dividend of £11,301,000 and scrip dividend of £402,000.

The following dividends were declared and paid by the Company during the year ended 31 December 2013:

In thousands of Pounds Sterling except as otherwise stated	**31 December 2013**
Final dividend of 0.75 pence per qualifying ordinary share – for year ended 31 December 2012	5,857
Interim dividend of 2.75 pence per qualifying ordinary share – for the period ended 30 June 2013	8,041
	13,898

NET ASSET VALUE

The Company net asset value and net asset value per share as of 31 December 2014, 2013 and 2012 are as follows:

In thousands of Pounds Sterling/pence	**Year ended 31 December 2014**	**Year ended 31 December 2013**	**Year ended 31 December 2012**
Net asset value attributable to the owners of the Company	**416,949**	420,625	204,469
Net asset value per ordinary share (pence)	**97.89**	98.84	96.00

10. EARNINGS PER SHARE

The basic and diluted earnings per share at 31 December 2014 are calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding.

In thousands of Pounds Sterling/shares	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Profit attributable to ordinary shareholders	**19,797**	4,539
Weighted average number of ordinary shares in issue	**425,917**	259,667
Basic and diluted earnings per share (in pence)	**4.65**	1.75

The weighted average number of shares outstanding for the purpose of computation of earnings per share is computed as follows:

In thousands of shares	**Year ended 31 December 2014**	**Year ended 31 December 2013**
Shares outstanding as at 01 January	**425,574**	212,985
Effects of shares issued through placing, open offer and offer for subscription (weighted average)	**-**	46,682
Effect of scrip dividends issued	**343**	-
Weighted average – outstanding shares	**425,917**	259,667

The denominator for the purposes of calculating both basic and diluted earnings per share is the same because the Company has not issued any share options or other instruments that would cause dilution.

11. LOANS AND BORROWINGS

In July 2012 the Company entered into a three-year £35 million revolving credit facility and letter of credit option (£35 million Revolving Credit Facility) with three lenders (The Royal Bank of Scotland plc, National Australia Bank Limited and KfW IPEX-Bank GmbH) to finance acquisitions, to provide letters of credit for outstanding equity obligations or for working capital purposes. The arrangement fee was 1.5% and the margins are 2.25% over LIBOR when loan to value is less than 25% and 2.75% over LIBOR when loan to value is greater than or equal to 25%. The commitment fee is 1.00% of the available commitment per annum.

The Company has £12,659,000 (2013: nil) outstanding borrowings which are due and payable in 2015. At 31 December 2014, the Company utilised £21.0 million (31 December 2013: £1.4 million) of the facility to cover three letters of credit (31 December 2013: two letters of credit). As of 31 December 2014, the unpaid loan interest on the outstanding borrowings amounted to £12,000 (2013: nil).

The unamortised debt issuance cost related to the above-mentioned credit facility amounts to £145,000 as of 31 December 2014 (2013: £415,000). As of 31 December 2014, the unamortised amount is netted against the amount withdrawn from the credit facility (2013: presented as non-current asset).

The total finance cost incurred in relation to the above-mentioned for the year ended 31 December 2014 amounted to £972,000 (2013: £499,000).

In January 2015, the Company secured a new three-year revolving credit facility of £80 million from ING Bank and KfW IPEX-Bank (£80 million Revolving Credit Facility). BBGI retains the flexibility to consider larger transactions by virtue of having structured a further £100 million incremental accordion tranche, for which no commitment fees are paid, which allows it to increase the facility to £180 million, at BBGI's option. This facility replaces the £35 million Revolving Credit Facility, which was due to expire in July 2015.

The £80 million Revolving Credit Facility will be used primarily to fund acquisitions and provide letters of credit for investment obligations, and the intention will be to repay the facility from time to time through equity fundraisings. The term of the new facility is three years, expiring in January 2018. The borrowing margin under the £80 million Revolving Credit Facility is 185 bps over LIBOR.

Pledges and Collaterals

The Company pledged all the current and future assets held in relation to the revolving credit facility.

12. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

The Company has exposure to the following risks from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

RISK MANAGEMENT FRAMEWORK

The Management Board has overall responsibility for the establishment and oversight of the Company's risk management framework.

CREDIT RISK

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in:

1) impairment or reduction in the amounts recoverable from receivables and other current and non-current asset
2) non-recoverability, in part or in whole, of cash and cash equivalents deposited with banks

Exposures to credit risks

The Company is exposed to credit risks on the following items in the Company's statement of financial position:

In thousands of Pounds Sterling	31 December 2014	31 December 2013
Loans receivable from subsidiary	**417,369**	299,820
Receivables from affiliated companies	**158**	964
Cash and cash equivalents	**20,412**	125,308
	437,939	426,092

Recoverable amounts of receivables and other current and non-current assets

The Company establishes an allowance for impairment that represents its estimate of any potential losses in respect of receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment related to such receivables. Currently there are no recorded allowances for impairment. All the Company's receivables are collectible and no significant amounts are considered as overdue or impaired.

Cash and cash equivalents

The cash and cash equivalents are maintained with reputable banks with ratings that are acceptable based on the established internal policy of the Company. Based on the assessment of the Management Board, there are no significant credit risks related to the cash and cash equivalents maintained with banks.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's policy over liquidity risk is that it will seek to have sufficient liquidity to meet its liabilities and obligations when due.

The Company manages liquidity risk by maintaining adequate cash and cash equivalents and borrowing facilities to finance day-to-day operations and long-term projects. The Company also regularly monitors the forecast and actual cash requirements and matches the maturity profiles of the Company's financial assets and financial liabilities.

In July 2012 the Company entered into a three-year £35 million revolving credit facility and letter of credit option (£35 million Revolving Credit Facility) with three lenders (The Royal Bank of Scotland plc, National Australia Bank Limited and KfW IPEX-Bank GmbH) to finance acquisitions, to provide letters of credit for outstanding equity obligations or for working capital purposes. The arrangement fee was 1.5% and the margins are 2.25% over LIBOR when loan to value is less than 25% and 2.75% over LIBOR when loan to value is greater than or equal to 25%. The commitment fee is 1.00% of the available commitment per annum.

In January 2015, the Company secured a new three-year revolving credit facility of £80 million from ING Bank and KfW IPEX-Bank (£80 million Revolving Credit Facility). BBGI retains the flexibility to consider larger transactions by virtue of having structured a further £100 million incremental accordion tranche, for which no commitment fees are paid, which allows it to increase the facility to £180 million, at BBGI's option. This facility replaces the £35 million Revolving Credit Facility, which was due to expire in July 2015.

The £80 million Revolving Credit Facility will be used primarily to fund acquisitions and provide letters of credit for investment obligations, and the intention will be to repay the facility from time to time through equity fundraisings. The term of the new facility is three years, expiring in January 2018. The borrowing margin under the £80 million Revolving Credit Facility is 185 bps over LIBOR.

At 31 December 2014 and 2013, the Company was not in breach of any of the covenants under the credit facility. The Company has operated and continues to operate comfortably within covenant limits.

Additionally, the Company has the ability to issue up to 10% of its issued share capital via tap issues in order to finance further acquisitions.

All external financial liabilities of the Company have maturities of less than one year. The Company has sufficient cash and cash equivalents and funding sources to pay currently maturing obligations.

MARKET RISK

The Company is exposed to currency risk as a result of its cash and cash equivalents denominated in currencies other than Pounds Sterling. The currencies in which these items are primarily denominated are Pounds Sterling (£), Canadian Dollars (CAD), Australian Dollars (AUD), Euros (EUR), Norwegian Kroner (NOK) and US Dollars (USD).

In respect of other monetary assets and liabilities denominated in currencies other than Pounds Sterling, the Company's policy is to ensure that its net exposure is kept at an acceptable level. The management believes that there is no significant concentration of currency risk in the Company.

The summary of the quantitative data about the Company's exposure to foreign currency risk provided to the management is as follows:

	31 December 2014				
In thousands of Pounds Sterling	**CAD**	**EUR**	**AUD**	**NOK**	**USD**
Cash and cash equivalents	**23**	**10**	**11**	**2**	**-**

	31 December 2013				
In thousands of Pounds Sterling	**CAD**	**EUR**	**AUD**	**NOK**	**USD**
Cash and cash equivalents	706	750	26,657	3	18,095

The significant exchange rates applied during the year ended 31 December 2014 are as follows:

	31 December 2014	
	Average GBP	**Spot rate GBP**
CAD 1	**0.550**	**0.554**
EUR 1	**0.806**	**0.783**
AUD 1	**0.548**	**0.525**
NOK 1	**0.097**	**0.086**
USD 1	**0.607**	**0.644**

A strengthening (weakening) of Pounds Sterling against the CAD, EUR, AUD, NOK and USD, as applicable, by 10% at 31 December 2014 would have no significant impact on the Company's statement of financial position and profit and loss. This assumes that all other variables, in particular, interest rates, remains constant and ignores any impact of forecasted revenues, hedging instruments and other related costs.

The significant exchange rates applied during the year ended 31 December 2013 are as follows:

	31 December 2013	
	Average GBP	**Spot rate GBP**
CAD 1	0.621	0.567
EUR 1	0.849	0.835
AUD 1	0.620	0.538
NOK 1	0.109	0.099
USD 1	0.640	0.607

A strengthening (weakening) of Pounds Sterling against the CAD, EUR, AUD, NOK and USD, as applicable at 31 December 2013 would have (decreased) increased respectively the equity and profit or loss by the amounts shown below. This analysis is based on the foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular, interest rates, remain constant and ignores any impact of forecasted revenues, hedging instruments and other related costs.

	GBP Strengthening (10%)		**GBP Weakening (10%)**	
Effects in thousands of Pounds Sterling	**Equity**	**Profit or loss**	**Equity**	**Profit or loss**
31 December 2013				
CAD 1	(70)	(70)	70	70
EUR 1	(75)	(75)	75	75
AUD 1	(2,666)	(2,666)	2,666	2,666
NOK 1	-	-	-	-
USD 1	(1,809)	(1,809)	1,809	1,809

FAIR VALUES VERSUS CARRYING AMOUNTS

The below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of cash and cash equivalents, receivables and payables that are payable within one year, or on demand, are assumed to be their respective fair values (Level 3).

The fair value of loans receivable from subsidiary and investment in subsidiary, with a total carrying value of £419,369,000 (2013: £301,820,000), amounts to £457,261,000 (2013: £325,348,000). The fair value of these loans receivable and investment in subsidiary is determined by discounting the future cash flows to be received from such assets using applicable market rates (Level 3).

CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to ensure the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for further stakeholders and to maintain an optimal capital structure while seeking to minimise the cost of capital. The Company views the share capital (see Note 9) and the revolving credit facility (see Note 11) as capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, increase the current credit facility or issue new shares. The Company targets a minimum 5.76 pence dividend per annum expected from 2015 onwards. However, it is important to note that this is only a target and not a profit forecast. There can be no assurance that this target will be met.

The Company regularly reviews compliance with Luxembourg regulations regarding restrictions on minimum capital. During the year covered by these financial statements, the Company complied with all externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year.

13. RELATED PARTIES AND KEY CONTRACTS

All transactions with related parties were undertaken on an arm's-length basis.

Supervisory Board fees

The aggregate remuneration of the directors of the Supervisory Board in their capacity as such was £140,000 (2013: £131,703). There are no outstanding amounts due as of 31 December 2014.

In addition, each Supervisory Board member received an *ex gratia* payment of £20,000 for work done in 2013 with respect to two capital raises.

The Chairman of the Supervisory Board currently receives a fee of £55,000 (2013: £45,000) per annum, and both the Chairman of the Audit Committee and the Senior Independent Director each receive a fee of £42,500 (2013: £32,500) per annum.

Profit Participating Loan

The Company as lender and MHC as borrower have entered into a profit participating loan agreement. Pursuant to this agreement, the Company has and will continue to make available an interest bearing loan to MHC for the purposes of funding its initial and subsequent acquisitions of interests in PPP/PFI infrastructure assets. As at 31 December 2014, £404,710,000 (2013: £299,820,000) was outstanding. The interest income related to such loan for the year ended 31 December 2014 amounted to £25,148,000 (2013: £11,520,000). There is no outstanding interest payable as of 31 December 2014 (nil as of 31 December 2013). The outstanding balance of the profit participation loan was classified as loans receivable from subsidiary in the Company's statement of financial position.

The profit participating loans will mature during 2041.

Shareholder Loan

The Company as lender and MHC as borrower have entered into a shareholder loan agreement until July 2015. Pursuant to this agreement, the Company has and will continue to make available an interest bearing loan to MHC for the purposes of funding certain acquisitions. During the year, the amounts outstanding under the shareholder loan facility amounted to £12,659,000 (2013: nil). The interest income related to such loan for the year ended 31 December 2014 amounted to £163,000 (2013: £490,000), of which £158,000 was unpaid as of 31 December 2014 (2013: nil). The outstanding balance of the shareholder loan was classified as current loans receivable from subsidiary (2013: non-current loans receivable from subsidiary) in the Company's statement of financial position.

Working Capital Loan

The Company as lender and MHC as borrower have entered into a working capital loan agreement. Pursuant to this agreement, the Company has and will continue to make available a non-interest bearing short-term financing to MHC for the purposes of financing its day-to-day operations. As at 31 December 2014, there are no amounts outstanding under the working capital loan facility (2013: £950,000). The working capital loan is payable on demand and is non-interest bearing. The working capital loan was classified as receivables from affiliated companies in the Company's statement of financial position.

Support Agreement with MHC

The Company and MHC have entered into a support agreement (Support Agreement) whereby MHC will provide assistance and support to the Company with respect to the day-to-day management of the Company's assets. As at 31 December 2014 the Company recorded support agreement expenses amounting to £3,553,000 (2013: £3,937,000). As of 31 December 2014, the Company's liability to MHC, which is significantly due to the amount receivable from the support agreement, amounted to £9,808,000 (2013: £6,255,000) and is included under trade payables in the Company's statement of financial position.

14. SUBSIDIARY

MHC, the Company's sole direct subsidiary, is a Luxembourg-domiciled entity. The Company's total equity investment in MHC amounted to £2,000,000 as of 31 December 2014 and 2013.

The Company's investments in PPP/PFI infrastructure assets, or similar assets, were made and will be made through MHC.

15. COMMITMENTS AND CONTINGENCIES

The Company has engaged, in the ordinary course of business, the services of certain entities to provide legal, custodian, audit, tax and other services to the Company. The expenses incurred in relation to such are treated as legal and professional fees (see Note 4).

16. SUBSEQUENT EVENTS

In January 2015, the Company secured a new three-year revolving credit facility of £80 million from ING Bank and KfW IPEX-Bank (£80 million Revolving Credit Facility). BBGI retains the flexibility to consider larger transactions by virtue of having structured a further £100 million incremental accordion tranche, for which no commitment fees are paid, which allows it to increase the facility to £180 million, at BBGI's option. This facility replaces the £35 million Revolving Credit Facility, which was due to expire in July 2015.

BOARD MEMBERS, AGENTS & ADVISERS

Supervisory Board

- David Richardson (Chairman)
- Colin Maltby
- Howard Myles

Management Board

- Duncan Ball
- Michael Denny
- Frank Schramm

Registered Office of the Company

EBBC, 6 E route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

Central Administrative Agent, Luxembourg Registrar and Transfer Agent, Depositary and Principal Paying Agent

RBC Investor Services Bank S.A.
14 Porte de France
L-4360 Esch-sur-Alzette
Grand Duchy of Luxembourg

Receiving Agent and UK Transfer Agent

Capita Registrars Limited
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Depository

Capita IRG Trustees Limited
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU
United Kingdom

Corporate Brokers

Stifel Nicolaus Europe Limited
150 Cheapside
London EC2V 6ET
United Kingdom

Jefferies International Limited
Vintners Place
68 Upper Thames Street
London EC4V 3BJ
United Kingdom

Auditors

KPMG Luxembourg
Société coopérative
39, Avenue John F. Kennedy
L-1855 Luxembourg

Tax Advisors to the Company

PricewaterhouseCoopers, Société coopérative
2, rue Gerhard Mercator
L-2182 Luxembourg

Public Relations

Maitland
Orion House
5 Upper St Martin's Lane
London WC2H 9EA
United Kingdom

EBBC, 6E route de Tréves
L-2633 Senningerberg
Grand Duchy of Luxembourg

BBGI

A Global
Infrastructure
Company