JOHN LAING LIMITED

ANNUAL REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021

Registered number: 01345670

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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DIRECTORS AND ADVISERS

Directors
S M Colvin
W Lee

Company secretary and registered office
V Burnett
1 Kingsway
London
WC2B 6AN

Auditor
Deloitte LLP
Statutory Auditor
1 New Street Square
London EC4A 3HQ

Bankers
Barclays Bank PLC
1 Churchill Place
Canary Wharf
London E14 5HP

HSBC UK Bank plc
71 Queen Victoria Street
London EC4V 4AY

DIRECTORS' REPORT

The Directors of John Laing Limited (the 'Company' or the 'Group') present their Annual Report and the audited financial statements for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company is an originator, active investor in and manager of international infrastructure projects. No changes in the Company's principal activity are anticipated in the forseeable future.

DIRECTORS

The Directors who served throughout the year and up to the date of this report were:

S M Colvin	
R Memmott	- appointed 14 January 2021, resigned 31 March 2022
C Underwood	- resigned 14 January 2022
W Lee	- appointed 14 January 2022

RESULTS AND DIVIDENDS

The profit for the year before taxation amounted to £131.6 million (2020 – £74.9 million loss).
The Directors do not propose a final dividend for 2021 (2020 - £nil).

CHANGE IN OWNERSHIP OF ULTIMATE PARENT

On 22 September 2021, the entire issued share capital of John Laing Group Limited (previously John Laing Limited's ultimate parent) was acquired by by Aqueduct Bidco Limited, a Company owned by funds advised by Kohlberg Kravis Roberts and Co Inc. ("KKR"). As 31 December 2021, the Group's ultimate controlling entity is KKR, a company incorporated in the United States of America, that manages and advises funds that ultimately hold the beneficial interest in the Group.

GOING CONCERN REVIEW

The Directors have reviewed the Group's financial projections and cash flow forecasts and believe, based on those projections and forecasts and taking into account expected bidding and investment activity and operational performance, that it is appropriate to prepare the Group financial statements on the going concern basis. In arriving at their conclusion, the Directors took into account the financial resources available to the Group, including from its banking facilities of £375 million committed until March 2025 that were secured in early March 2022.

The Group expects funding of new investments as well as the Group's operating costs to come from the funds managed by KKR. However, in determining that the Group is a going concern, the Directors have assessed the Group's ability without the support from its parents to meet its debts as they fall due and to operate within its banking facilities and to comply with the financial covenants over a period of at least 12 months from the date of signing of these financial statements.

All committed investments into projects, including those in the AssetCo Group, are either backed by cash or by other instruments and therefore already funded. Investments into project companies are made on a non-recourse basis, which means that providers of debt to such project companies do not have recourse to the Group beyond its investment commitment. The forecast includes cash investments into projects that are not currently funded but that are also not yet committed. Should there be any delay in funding from its parents, the Directors are confident that the Group's available financial resources mean that the Group can continue to fund its fixed operating costs for at least a 12 month period from the date of signing of these financial statements. As well as delaying future investments, the Directors have also considered other mitigating actions that could be undertaken to maintain liquidity, including divestments and reductions in headcount, in order to preserve cash and liquidity.

In determining that the Group is a going concern, certain risks and uncertainties have been considered. This has been carried out by running various sensitivities on the Group's cash flow projections. This includes an extreme downside scenario under which no cash yields are received from the investment portfolio for the next 12 months. Under this scenario, the Group's cash flow projections show that the Group would still have sufficient liquidity to meet its debts as they fall due over a period of at least 12 months from the date of the signing of these financial statements. This provides the Directors with good comfort with regard to more reasonable downside scenarios. The Group has also run a reverse stress test, with no funding from its parent undertakings and no cash yields received from its investment portfolio, to see what level of reduction in investment value reduction would result in the lowest loan-to-value covenant ratio being breached. The reduction of c36% of total investment value is very significant and therefore the Group believes the risk of such a decline to be remote. After making this assessment, the Directors believe that the Group is adequately placed to manage these risks.

EVENTS AFTER THE REPORTING PERIOD

For details of events after the balance sheet date, see note 22 to the Group financial statements.

DIRECTORS' REPORT (continued)

STRATEGIC REPORT

The Company has taken advantage of the exemption under S414B of the Companies Act 2006 not to prepare a Strategic report.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Directors of the Company benefit from qualifying third party indemnity provisions provided by one of the Company's parent undertakings John Laing Group Limited.

DIRECTORS' INSURANCE

The Company's Directors are covered by insurance policies entered into by its ultimate parent undertaking, John Laing Group Limited, that insure them against liability arising from negligence, breach of duty and breach of trust in relation to the Company.

POLITCAL DONATIONS

The Company made no political donations during 2021 (2020: nil).

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a Director at the date of approval of this report confirms that:

- as far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

AUDITOR

Deloitte LLP have indicated their willingness to be reappointed as auditor and appropriate arrangements have been put in place for them to be deemed appointed as auditor in the absence of an Annual General Meeting.

The Directors' Report was approved by the Board of Directors on 28 October 2022 and signed on its behalf by:

S M Colvin
Director
28 October 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom International Financial Reporting Standards ('IFRS'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN LAING LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of John Laing Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Changes in Equity;
- the Balance Sheet;
- the Cash Flow Statement; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law, and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of Independent our report.

We are independent of the group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

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

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

We have nothing to report in this regard.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN LAING LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)
A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included General Data Protection Regulation (GDPR), anti-bribery legislation and anti-money laundering regulations.

We discussed among the audit engagement team including relevant internal specialists such as tax and valuations, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud to be in the determination of the discount rate utilised in the determination of the fair value of investments, and our specific procedures performed to address it are described below:

- We obtained an understanding of the relevant controls in the valuation process.
- We met with the regional directors to enhance our knowledge of the portfolio and to assist in our ability to identify specific assumptions or risks for certain assets.
- We involved our local valuation experts in the US, Australia, Colombia and Europe to provide us with their views on the local market and assess the reasonableness of Management's discount rates on a sample of asset.
- We benchmarked Management's discount rates against external market data, as well as retrospectively reviewing the discount rate used in respect of the Group's disposals in the current and previous periods. We also compared the discount rates on key assets to each other to ensure that we understood why the discount rates applied to projects differ.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN LAING LIMITED

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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

Jacqueline Holden FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
28 October 2022

INCOME STATEMENT

for the year ended 31 December 2021

	Notes	2021 £ million	2020 £ million
Interest income	5	**1.6**	0.3
Dividend income		**495.0**	20.0
Net loss on investments at fair value through profit or loss	11	**(164.8)**	(66.8)
Operating income/(loss)		**331.8**	(46.5)
Administrative expenses		**(4.7)**	(1.3)
Reversal of impairment on amounts due to Group undertakings	7	**9.4**	-
Other losses	6	**(202.5)**	(26.4)
Profit/(loss) from operations	7	**134.0**	(74.2)
Finance costs	9	**(2.4)**	(0.7)
Profit/(loss) before tax		**131.6**	(74.9)
Tax charge	10	**(0.1)**	(1.3)
Profit/(loss) for the year		**131.5**	(76.2)
Attributable to:			
Owner of the Company		**131.5**	(76.2)
		131.5	(76.2)

All results are derived from continuing operations.

There are no items of other comprehensive income in both the current and preceding period, and therefore no separate Statement of Comprehensive Income has been presented.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

	Share capital	Retained earnings	Total equity
	£ million	**£ million**	**£ million**
Balance at 1 January 2021	**-**	**1,368.2**	**1,368.2**
Profit for the year	**-**	**131.5**	**131.5**
Total comprehensive income for the year	**-**	**131.5**	**131.5**
Balance at 31 December 2021	**-**	**1,499.7**	**1,499.7**

	Share capital	Retained earnings	Total equity
	£ million	£ million	£ million
Balance at 1 January 2020	-	1,444.4	1,444.4
Loss for the year	-	(76.2)	(76.2)
Total comprehensive expense for the year	-	(76.2)	(76.2)
Balance at 31 December 2020	-	1,368.2	1,368.2

BALANCE SHEET

as at 31 December 2021

	Notes	2021 £ million	2020 £ million
Non-current assets			
Investments at fair value through profit or loss	11	**1,502.6**	1,399.0
		1,502.6	1,399.0
Current assets			
Trade and other receivables	12	**0.1**	0.6
Current tax assets		**-**	0.2
Derivative financial instruments		**-**	0.8
Cash and cash equivalents		**6.6**	-
		6.7	1.6
Total assets		**1,509.3**	1,400.6
Current liabilities			
Trade and other payables	13	**(9.6)**	(31.7)
Derivative financial instruments		**-**	(0.7)
		(9.6)	(32.4)
Net current liabilities		**(2.9)**	(30.8)
Non-current liabilities			
Provisions	16	**-**	-
		-	-
Total liabilities		**(9.6)**	(32.4)
Net assets		**1,499.7**	1,368.2
Equity			
Share capital	17	**-**	-
Retained earnings		**1,499.7**	1,368.2
Equity attributable to owner of the Company		**1,499.7**	1,368.2
Total equity		**1,499.7**	1,368.2

The financial statements of John Laing Limited, registered number 01345670, were approved by the Board of Directors and authorised for issue on 28 October 2022. They were signed on its behalf by:

S M Colvin
Director
28 October 2022

CASH FLOW STATEMENT

for the year ended 31 December 2021

	Notes	2021 £ million	2020 £ million
Net cash outflow from operating activities	18	**(209.7)**	(28.9)
Investing activities			
Interest received		-	0.7
Net cash transferred to investments held at fair value through profit or loss		**(181.7)**	(18.4)
Net cash used in investing activities		**(181.7)**	(17.7)
Financing activities			
Interest paid		**(0.1)**	(0.1)
Movement of funding loans with parent undertakings		**362.0**	-
Movement of other loans with parent undertakings		**87.0**	54.2
Movement of loans with fellow group undertakings		**(50.9)**	(0.5)
Repayment of borrowings		-	(7.0)
Net cash from financing activities		**398.0**	46.6
Net increase in cash and cash equivalents		**6.6**	-
Cash and cash equivalents at beginning of the year		-	0.1
Effect of foreign exchange rate changes		-	(0.1)
Cash and cash equivalents at end of the year		**6.6**	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

1 General information

John Laing Limited (the "Company" or the "Group") is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The registered office of the Company is 1 Kingsway, London, WC2B 6AN. The principal activity of the Company is the origination, investment in and management of international infrastructure projects.

2 Adoption of new and revised standards

New and amended IFRS that are effective for the current year

In 2021, the Group adopted a number of amendments to IFRS and interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2021 (and have been endorsed for use within the EU).

- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)

These amendments do not have an impact on the financial statements of the Group.

New and amended IFRS in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised standards that have been issued but are not yet effective and, in some cases, had not yet been adopted by the EU:

The following amendments are effective for the period beginning 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41)
- References to Conceptual Framework (Amendments to IFRS 3)

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

3 Significant accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards with International Financial Reporting Standards as issued by the IASB. The financial statements are presented in Pounds Sterling.

The Company's financial statements have been prepared on the historical cost basis except for the revaluation of the investment portfolio and other financial instruments that are measured at fair value at the end of each reporting period. The Company has concluded that it meets the definition of an investment entity as set out in IFRS 10 *Consolidated Financial Statements*, paragraph 27 on the following basis:

(i) as an entity ultimately owned by open ended funds the Company is owned by a number of investors;

(ii) the Company holds a substantial portfolio of investments in project companies through its investment in Aqueduct Newco2 Limited and intermediate holding companies. The underlying projects have a finite life and the Company has an exit strategy for its investments which is either to hold them to maturity or, if appropriate, to divest them. Investments in project companies take the form of equity and/or subordinated debt;

(iii) the Company's business model is to originate, invest in, and actively manage infrastructure assets. It invests in PPP and renewable energy projects and aims to deliver predictable returns and consistent growth from its investment portfolio. The underlying project companies have businesses and activities that the Company is not directly involved in. The Company's returns from the provision of management services are small in comparison to the Company's overall investment-based returns; and

(iv) the Company measures its investments on a fair value basis. Information on the fair value of investments forms part of monthly management reports reviewed by the Executive Committee of John Laing Group Limited, who are considered to be the Company's key management personnel, and by its Board of Directors.

Investment entities are required to account for all investments in controlled entities, as well as investments in associates and joint ventures, at FVTPL.

Project companies in which the Company invests are described as "non-recourse", which means that providers of debt to such project companies do not have recourse to John Laing beyond its equity and/or subordinated debt commitments in the underlying projects. Subsidiaries through which the Company holds its investments in project companies, which are held at FVTPL are described as "recourse".

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

3 Significant accounting policies (continued)

a) Basis of preparation (continued)

Unconsolidated project company subsidiaries are part of the non-recourse business. Based on arrangements in place with those subsidiaries, the Company has concluded that there are no:

a) significant restrictions (resulting from borrowing arrangements, regulatory requirements or contractual arrangements) on the ability of an unconsolidated subsidiary to transfer funds to the Company in the form of cash dividends or to repay loans or advances made to the unconsolidated subsidiary by the Company; and
b) current commitments or intentions to provide financial or other support to an unconsolidated subsidiary, including commitments or intentions to assist the subsidiary in obtaining financial support, beyond the Company's original investment commitment.

The principal accounting policies applied in the preparation of these Company's financial statements are set out below. These policies have been applied consistently to each of the years presented, unless otherwise stated.

Company-only financial statements

As described in accounting policy e)(i) below, the Company has initially classified its investment as investments at FVTPL that is measured subsequently at FVTPL. This is the same treatment and measurement for investments in the Group financial statements as described above. Accordingly, the Group and Company-only financial statements are the same and the financial statements have been presented as one set.

b) Going concern

The Directors have reviewed the Group's financial projections and cash flow forecasts and believe, based on those projections and forecasts and taking into account expected bidding and investment activity and operational performance, that it is appropriate to prepare the Group's financial statements on the going concern basis. In arriving at their conclusion, the Directors took into account the financial resources available to the Group, including from its banking facilities of £375 million committed until March 2025 that were secured in early March 2022.

The Group expects funding of new investments as well as the Group's operating costs to come from the funds managed by KKR. However, in determining that the Group is a going concern, the Directors have assessed the Group's ability without the support from its parents to meet its debts as they fall due and to operate within its banking facilities and to comply with the financial covenants over a period of at least 12 months from the date of signing of these financial statements.

All committed investments into projects, including those in the AssetCo Group, are either backed by cash or by other instruments and therefore already funded. Investments into project companies are made on a non-recourse basis, which means that providers of debt to such project companies do not have recourse to the Group beyond its investment commitment. The forecast includes cash investments into projects that are not currently funded but that are also not yet committed. Should there be any delay in funding from its parents, the Directors are confident that the Group's available financial resources mean that the Group can continue to fund its fixed operating costs for at least a 12 month period from the date of signing of these financial statements. As well as delaying future investments, the Directors have also considered other mitigating actions that could be undertaken to maintain liquidity, including divestments and reductions in headcount, in order to preserve cash and liquidity.

In determining that the Group is a going concern, certain risks and uncertainties have been considered. This has been carried out by running various sensitivities on the Group's cash flow projections. This includes an extreme downside scenario under which no cash yields are received from the investment portfolio for the next 12 months. Under this scenario, the Group's cash flow projections show that the Group would still have sufficient liquidity to meet its debts as they fall due over a period of at least 12 months from the date of the signing of these financial statements. This provides the Directors with good comfort with regard to more reasonable downside scenarios. The Group has also run a reverse stress test, with no funding from its parent undertakings and no cash yields received from its investment portfolio, to see what level of reduction in investment value reduction would result in the lowest loan-to-value covenant ratio being breached. The reduction of c36% of total investment value is very significant and therefore the Group believes the risk of such a decline to be remote. After making this assessment, the Directors believe that the Group is adequately placed to manage these risks.

c) Revenue

The key accounting policies for the Company's material revenue streams are as follows:

(i) Interest income

Interest income is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued by reference to the principal outstanding and the applicable interest rate.

(ii) Dividend income

Dividend income from investments is recognised when the Company's rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Dividend income is recognised gross of withholding tax, if any, and only when approved and paid by the relevant company.

(iii) Net gain on investments at FVTPL

Net gain on investments at FVTPL excludes dividend income referred to above. Please refer to accounting policy e)(i) for further detail.

(iv) Other income

Other income represents income receivable in the ordinary course of business for services provided and excludes value added tax. Revenue is recognised to the extent the services are provided.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

3 Significant accounting policies (continued)

d) Dividend payments

Dividends on the Company's ordinary shares are recognised when they have been appropriately authorised and are no longer at the Company's discretion. Accordingly dividends are recognised when they are paid. Dividends are recognised as an appropriation of shareholder's funds.

e) Financial instruments

Financial assets and financial liabilities are recognised on the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

(i) Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial asset; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at FVTPL.

The financial assets that the Company holds are classified as follows:

- Investments at FVTPL are measured subsequently at FVTPL.

Investments at FVTPL comprise the Company's investment in John Laing Investments Holding Limited and Aqueduct Newco 1 Limited (through which the Company indirectly holds its investments in projects) which is valued based on the fair value of investments in project companies and other assets and liabilities of investment entity subsidiaries. Investments in project companies are recognised as financial assets at FVTPL. Subsequent to initial recognition, investments in project companies are measured on a combined basis at fair value principally using discounted cash flow methodology.

The Directors consider that the carrying value of other assets and liabilities held in investment entity subsidiaries approximates to their fair value, with the exception of derivatives which are measured in accordance with accounting policy e)(v).

Changes in the fair value of the Company's investment in ohn Laing Investments Holding Limited and Aqueduct Newco 1 Limited are recognised within operating income in the Income Statement.

- Trade and other receivables and cash and cash equivalents are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised in profit or loss within operating income in the Income Statement.

- Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with original maturities of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash and short-term deposits as defined above, net of bank overdrafts, where there is a right to offset against corresponding cash balances.

Deposits held with original maturities of greater than three months are shown as other financial assets.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

3 Significant accounting policies (continued)

e) Financial instruments (continued)

(ii) Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

(iii) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(iv) Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

The Group's financial liabilities, which comprise interest-bearing loans and borrowings and trade and other payables, are all measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest-bearing bank loans and borrowings are initially recorded at fair value, being the proceeds received net of direct issue costs, and subsequently at amortised cost using the effective interest method. Finance charges, including premiums payable on settlement or redemption, and direct issue costs are accounted for on an accruals basis in the Income Statement and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(v) *Derivative financial instruments*

The Company treats forward foreign exchange contracts and currency swap deals it enters into as derivative financial instruments at FVTPL. Changes in the fair value of these instruments are taken through the Income Statement and are recognised in other gains and losses.

f) Provisions

Provisions are recognised when:

- the Company has a legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required on settlement is determined by considering the class of obligations as a whole.

g) Finance costs

Finance costs relating to the corporate banking facilities, other than set-up costs, and interest on loans from John Laing group entities are recognised in the year in which they are incurred. Set-up costs are recognised over the remaining facility term.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

3 Significant accounting policies (continued)

h) Taxation

The tax charge or credit represents the sum of tax currently payable and deferred tax.

Current tax

Current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes both items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted, or substantively enacted, by the Balance Sheet date.

Deferred tax

Deferred tax liabilities are recognised in full for taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will arise to allow all or part of the assets to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the Income Statement except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets and current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

i) Foreign currencies

Monetary assets and liabilities expressed in foreign currency (including investments measured at fair value) are reported at the rate of exchange prevailing at the balance sheet date or, if appropriate, at the forward contract rate. Any difference arising on the retranslation of these amounts is taken to the Income Statement with foreign exchange movements on investments measured at fair value recognised in operating income as part of net gain on investments at FVTPL. Income and expense items are translated at the average exchange rates for the period.

j) Share capital

Ordinary shares are classified as equity instruments on the basis that they evidence a residual interest in the assets of the Company after deducting all its liabilities.

Incremental costs directly attributable to the issue of new ordinary shares are recognised in equity as a deduction, net of tax, from the proceeds in the period in which the shares are issued.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities. The key areas of the financial statements where the Company is required to make critical judgements and material accounting estimates (which are those estimates where there is a risk of material adjustments in the next reporting period) are in respect of the fair value of investments and accounting for liabilities of John Laing Group's defined benefit schemes to which the Company is the sponsoring and principal employer and against which the Company has provided a guarantee (see note 16).

Fair value of investments

Critical accounting judgements in applying the Company's accounting policies

The Group has concluded that it meets the definition of an investment entity as set out in IFRS 10 Consolidated Financial Statements, paragraph 27 on the basis as described in note 3a) to the Group financial statements in the John Laing Group Limited 2021 Accounts.

Key sources of estimation uncertainty

The Company measures its investment in Aqueduct NewCo 1 Limited and John Laing Investments Holding Limited at fair value. Fair value is determined based on the fair value of investments in project companies (the Group's investment portfolio and the investment portfolio held by the group headed by John Laing Investments Limited, which the Group now holds a 50% interest in) and other assets and liabilities of investment entity subsidiaries and in the John Laing Investment Limited group. A full valuation of the Group's investment portfolios are prepared on a consistent, discounted cash flow basis, at 31 December. The key inputs, therefore, to the valuation of each investment are (i) the discount rate; and (ii) the cash flows forecast to be received from such investment. Under the Group's valuation methodology, a base case discount rate for an operational project is derived from secondary market information and other available data points. The base case discount rate is then adjusted to reflect additional project-specific risks. In addition a risk premium is added to reflect the additional risk during the construction phase. The construction risk premium reduces over time as the project progresses through its construction programme, reflecting the significant reduction in risk once the project reaches the operational stage. The valuation assumes that forecast cash flows are received until maturity of the underlying assets. The cash flows on which the discounted cash flow valuation is based are those forecast to be distributable to the Group at each balance sheet date, derived from detailed project financial models. These incorporate a number of assumptions with respect to individual assets, including: dates for construction completion (where relevant); value enhancements; the terms of project debt refinancing (where applicable); the outcome of any disputes; the level of volume-based revenue; future rates of inflation and, for renewable energy projects, energy yield and future energy prices. Value enhancements are only incorporated when the Group has sufficient evidence that they can be realised.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

A key source of estimation uncertainty in valuing the investment portfolio is the discount rate applied to forecast project cash flows. A base case discount rate for an operational project is derived from secondary market information and other available data points. The base case discount rate is then adjusted to reflect project-specific risks. In addition, a risk premium is added during the construction phase to reflect the additional risks throughout construction. This premium reduces over time as the project progresses through its construction programme, reflecting the significant reduction in risk once the project reaches the operational stage. The discount rates applied to investments at 31 December 2021, including investments in the portfolio of John Laing Investments Limited, were in the range of 5.5% to 10.6% (31 December 2020: 6.5% to 11.9%). Note 15 provides details of the weighted average discount rate applied to the investment portfolios as a whole and sensitivities to the investment portfolio value from changes in discount rates.

The key sources of estimation uncertainty present in the cash flows to be received from investments are the forecasts of future energy prices and energy yields impacting all renewable energy projects and forecasts for long-term inflation across the whole portfolio. In previous years, marginal loss factors impacting Australian solar generation assets was an additional key source of estimation uncertainty but we have seen less fluctuation in the marginal loss factors over the last two years and the value of assets that these factors impact has reduced significantly and therefore marginal loss factors are no longer considered to be a key source of estimation uncertainty. The Group does not consider the other factors that affect cash flows, as described in the critical accounting judgements in applying the Group's accounting policies above, to be key sources of estimation uncertainty. They are based either on reliable data or the Group's exoerience and individuallv not considered likelv to deviate materiallv vear on vear.

During the year ended 31 December 2021, we saw an easing of the market volatility and uncertainty that were brought about by COVID-19 in 2020, and as a result the adverse impact on the valuation from changes in inflation and power prices was significantly reduced. Changes in short-term inflation increased the portfolio value by £15 million (2020: £33 million loss) and changes in power price forecasts resulted in value gains of just £2 million in the year (2020: £101 million loss). As was the case in 2020, there has not been a significant impact from COVID-19 on energy yields from our renewable energy assets, which have maintained strong availability during the period.

Onerous contract in relation to pension and other post-retirement liability accounting

Critical judgements in applying the Company's accounting policies

Fair value of investments accounting

As described above, the Company measures its investment in Aqueduct Newco 1 Limited at fair value. An underlying part of this investment is an indirect investment in three solar farm projects through the Group's 50% interest in John Laing Investments Limited. The Directors are aware that the 2018 US tax returns of three lessee entities in the project structures are currently under examination by the Internal Revenue Services *(the "IRS") in respect of investment tax credits ("ITCs") previously claimed. To date, a notice of proposed* adjustment has been issued by the IRS in respect of one of the entities. A reduction to the investment tax credits claimed could result in a liability arising in the lessee entities to the extent that the loss is not covered by insurance policies taken out by these entities in respect of this risk. This in turn could have an adverse impact on the value of the Group's investment. The Directors have reviewed the matter and taken advice from various advisers with expertise and experience with these matters. The Directors believe that the most likely outcome is that a position in respect of the level of ITCs allowed to be claimed will be reached with the IRS, after a period of negotiation, that would result in a liability to the entities of an amount not materially greater than the maximum amount able to be claimed under the insurance policies. Accordingly at this time the Directors do not believe there will be a material reduction to the value of the Company's investment as a result of this matter.

Pension and other post-retirement liability accounting

As explained in note 16 to the financial statements, any net liability of the John Laing Group retirement benefit obligations is recognised as an onerous contract. There was an accounting surplus in the define benefit pension schemes and an accounting loss in the post-retirement medical scheme at 31 December 2021 with a net surplus of of £203.6 million (31 December 2020 - surplus £11.7 million). In determining the defined benefit pension obligation, consideration is given to whether there is a minimum funding requirement under IFRIC 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements* and their Interaction which is in excess of the IAS 19 *Employee Benefits* liability. If the minimum funding requirement is higher, an additional liability would need to be recognised. Under the trust deed and rules of the John Laing Pension Fund (JLPF), the Company has an ultimate unconditional right to any surplus, accordingly the excess of the minimum funding requirement over the IAS 19 *Employee Benefits* liability has not been recognised as an additional liability.

Key sources of estimation uncertainty

The value of the retirement benefit obligations is highly dependent on key assumptions including price inflation, discount rate and life expectancy. The assumptions applied at 31 December 2021 and the sensitivity of the pension liabilities to certain changes in these assumptions are shown in note 18 to the group financial statements of John Laing Group Limited which can be obtained from its registered address 1 Kingsway, London, WC2B 6AN.

5 Interest income

	2021	2020
	£ million	£ million
Interest from fellow group undertakings	1.6	0.2
Interest on bank deposits	-	0.1
Total interest income	**1.6**	0.3

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

6 Other losses

	2021	2020
	£ million	£ million
Onerous contract in respect of retirement benefit obligations (note 16)	**(202.4)**	(26.5)
Change in fair value of derivative financial instruments	**(0.1)**	0.1
Other losses	**(202.5)**	(26.4)

7 Profit from operations

	2021	2020
Profit from operations has been arrived at after expensing:	**£ million**	£ million
Fees payable to the Company's auditor and its associates		
- Audit of the Company and the Company's subsidiaries	**(0.1)**	(0.1)
Total audit fees	**(0.1)**	(0.1)
Net foreign exchange gain/(loss)	**0.9**	(3.4)

The fees payable to the Company's auditor for the audit of the Company's annual accounts were £39,033 (2020 - £29,220). The fees payable to the Company's auditor and affiliates for audit of the annual accounts of the Company's subsidiaries were £89,902 (2020 - £55,115).

No non-audit services were provided to the Company during the year (2020 - None).
A reversal of impairment charge of £9,353,736 (2020: £nil) in respects of amounts due to Group undertakings has been recognised in the Income Statement for the year.

8 Employees

	2021	2020
	£ million	£ million
Employee costs comprise:		
Salaries	**0.7**	0.5
Social security costs	**0.1**	0.1
Pension charge - defined contribution	**0.1**	0.1
	0.9	0.7

Annual average employee numbers (including Directors):

	2021	2020
	No.	No.
UK Staff	**6**	7
Activity		
Central support services	**6**	7

The Directors of the Company services cannot be distinguished from those provided to the John Laing Group as a whole. Therefore, no separate disclosure of their remuneration has been made.

9 Finance costs

	2021	2020
	£ million	£ million
Interest on bank overdrafts and loans	**(0.2)**	(0.1)
Interest on loans from parent undertakings	**(2.2)**	(0.4)
Interest on loans from fellow subsidiary undertakings	**-**	(0.2)
Total finance costs	**(2.4)**	(0.7)

10 Tax charge
The tax charge for the year comprises:

	2021	2020
	£ million	£ million
Current tax:		
UK corporation tax credit - current year	**-**	0.1
UK corporation tax charge - prior year	**(0.1)**	(1.4)
Tax charge	**(0.1)**	(1.3)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

10 Tax charge (continued)

The tax charge for the period can be reconciled to the profit in the Income Statement as follows:

	2021	2020
	£ million	£ million
Profit/(loss) before tax	**131.6**	(74.9)
Tax at the UK corporation tax rate	**(25)**	14.2
Tax effect of dividend income not taxable	**94.1**	3.8
Non-taxable movement on fair value of investments	**(31.3)**	(12.7)
Allowable non - deductible spend	**1.7**	(0.1)
Group relief	**(0.5)**	-
Tax losses not recognised	**(39.0)**	(5.1)
Prior year - current tax charge	**(0.1)**	(1.4)
Total tax charge	**(0.1)**	(1.3)

Tax losses are not recognised as the Company has no certainty of taxable profits in the foreseeable future. The total unrecognised tax losses at 31 December 2021 available to the Company are £300.2m.

For the year ended 31 December 2021, a tax rate of 19% (2020 – 19%) has been applied.

11 Investments at fair value through profit or loss

	2021	2020
	£ million	£ million
Opening balance	**1,541.7**	1,768.2
Distributions	**(157.4)**	(59.6)
Investment in equity and loans	**146.0**	103.5
Realisations and transfers	**(1,001.0)**	(291.7)
Fair value movement	**288.2**	21.3
At 31 December	**817.5**	1,541.7
Other assets and liabilities within recourse investment entity subsidiaries	**685.1**	(142.7)
Closing balance	**1,502.6**	1,399.0

The other assets and liabilities within recourse investment entity subsidiaries comprise debtors, cash at bank and in hand and creditors within intermediate holding companies which have direct investments in project companies included above.

The movement at 31 December 2021 between the fair value of other assets and liabilities within recourse investment entity subsidiaries of £685.1 million net assets (2020 - £142.7 million net liabilities) includes a net gain of £42.0 million (2020 - net loss of £68.2 million). After taking account of the fair value movement from investments in non-recourse entities above of £288.2 million (2020 - £21.3 million), the total positive fair value movement is £330.2 million (2020 – loss of £46.9 million). This is represented on the income statement as: net loss on investments at fair value through profit or loss of £164.8 million (2020 - £66.8 million), dividend income of £495.0 million (2020 - £20.0 million), £nil (2020 - £0.2 million loss) within finance costs and £nil (2020 - £0.1 million) within tax credit.

The investment realisations that have occurred in the current and prior year are as follows:

Year ended 31 December 2021

During the year ended 31 December 2021, the Group disposed of interests in two PPP and seven renewable energy project companies. These disposals were made by John Laing Investments Limited and John Laing Investments Limited's recourse subsidiaries prior to the Group selling 50% of its interest in John Laing Investments Limited.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

11 Investments at fair value through profit or loss (continued)

	Month of completion	Original holding %	Holding disposed of %	Retained holding %
Hornsdale Wind Farm (Phase 1)	Mar 21	30.0	30.0	-
Hornsdale Wind Farm (Phase 2)	Mar 21	20.0	20.0	-
Hornsdale Wind Farm (Phase 3)	Mar 21	20.0	20.0	-
Granville Wind Farm	Mar 21	49.8	49.8	-
Kiata Wind Farm	Mar 21	72.3	72.3	-
Cherry Tree Wind Farm	Mar 21	100.0	100.0	-
New Royal Adelaide Hospital	Mar 21	17.3	17.3	-
Glencarbry Wind Farm	Mar 21	100.0	100.0	-
IEP East	Mar 21	15.0	15.0	-
John Laing Investments Limited	Sep 21	100.0	50.0	50.00

Year ended 31 December 2020

During the year ended 31 December 2020, the Group disposed of interests in two PPP and four Renewable Energy project companies.

	Date of completion	Original holding %	Holding disposed of %	Retained holding %
Auckland South Corrections Facility	5 May 2020	30.0	30.0	-
Buckthorn Wind Farm	1 April 2020	90.1	90.1	-
Pasilly Wind Farm	11 June 2020	100.0	100.0	-
Sommette Wind Farm	11 June 2020	100.0	100.0	-
St Martin Wind Farm	11 June 2020	100.0	100.0	-
IEP East [1]	26 October 2020	30.0	15.0	15.0

[1] The Group agreed the sale of its 30% interest in IEP East in September 2020. The first stage of the transaction for the sale of a 15% interest completed on 26 October 2020. The remaining 15% interest will complete no later than 12 months after the first stage completion date at the Company's election and is held in the portfolio at the agreed sale price plus interest accruing at 7% per annum from 6 October 2020 and less any cash distributions received from the project prior to completion.

The Group also agreed the sale of its portfolio of six Australian wind farm projects in October 2020, which completed in March 2021. At 31 December 2020, these investments are valued at the agreed sale price.

12 Trade and other receivables

	31 December 2021 £ million	31 December 2020 £ million
Amounts owed by fellow subsidiary undertakings	-	0.6
Other receivables	0.1	-
	0.1	0.6

Amounts owed by fellow subsidiary undertakings comprise a loan of £nil (2020 - £9.8 million), associated interest of £nil (2020 - £0.2 million) less a provision for impairment of £nil million (2020 - £9.4 million).

The loan and associated interest are repayable on demand. Interest was charged on the loan to fellow subsidiary undertakings at 1.5% above the Canadian dollar base rate.

In the opinion of the Directors the fair value of trade and other receivables is equal to the carrying value.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	31 December 2021 £ million	31 December 2020 £ million
Sterling	0.1	-
Canadian dollar	-	0.6
	0.1	0.6

13 Trade and other payables

	31 December 2021 £ million	31 December 2020 £ million
Current liabilities		
Amounts owed to parent undertaking	(2.8)	(29.2)
Amounts owed to fellow subsidiary undertakings	(4.1)	(1.9)
Other taxation and social security	(0.1)	(0.1)
Accruals	(2.5)	(0.5)
Other payables	(0.1)	-
	(9.6)	(31.7)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

13 Trade and other payables (continued)

Amounts owed to parent undertakings comprise a loan of £1.3 million (2020 - £28.8 million) and associated interest of £1.5 million (2020 - £0.4 million).

Amounts owed to fellow subsidiary undertakings comprise a loan of £4.1 million (2020 - £1.6 million) and trade creditor balances of £nil million (2020 - £0.3 million). The loan and associated interest are payable on demand. Trade creditor balances are payable on commercial terms and no interest is charged.

Interest was charged on the loan at 2% above base rate (2020 - 2% above base rate).

14 Financial instruments

a) Financial instruments by category

	Financial assets at amortised cost	Assets at fair value through profit or loss	Derivatives that do not qualify for hedge accounting	Financial liabilities at amortised cost	Total
	£ million	**£ million**	**£ million**	**£ million**	**£ million**
Fair value measurement method	**n/a**	**Level 1 /Level 3**	**Level 2**	**n/a**	
31 December 2021					
Non-current assets					
Investments at fair value through profit or loss*	-	**1,502.6**	-	-	**1,502.6**
Current assets					
Trade and other receivables	**0.1**	-	-	-	**0.1**
Cash and cash equivalents	**6.6**	-	-	-	**6.6**
Total financial assets	**6.7**	**1,502.6**	-	-	**1,509.3**
Current liabilities					
Trade and other payables	-	-	-	**(9.5)**	**(9.5)**
Total financial liabilities	-	-	-	**(9.5)**	**(9.5)**
Net financial instruments	**6.7**	**1,502.6**	-	**(9.5)**	**1,499.8**

	Financial assets at amortised cost	Assets at fair value through profit or loss	Derivatives that do not qualify for hedge accounting	Financial liabilities at amortised cost	Total
	£ million	£ million	£ million	£ million	£ million
Fair value measurement method	n/a	Level 1 /Level 3	Level 2	n/a	
31 December 2020					
Non-current assets					
Investments at fair value through profit or loss*	-	1,399.0	-	-	1,399.0
Current assets					
Trade and other receivables	0.6	-	-	-	0.6
Derivative financial instruments	-	-	0.8	-	0.8
Total financial assets	0.6	1,399.0	0.8	-	1,400.4
Current liabilities					
Trade and other payables	-	-	-	(31.6)	(31.6)
Derivative financial instruments	-	-	(0.7)	-	(0.7)
Total financial liabilities	-	-	(0.7)	(31.6)	(32.3)
Net financial instruments	0.6	1,399.0	0.1	(31.6)	1,368.1

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

14 Financial Instruments (continued)

* Investments at FVTPL are fair valued in accordance with the policy and assumptions set out in note 3e). The investments at FVTPL include other assets and liabilities in investment entity subsidiaries as shown in note 11. Such other assets and liabilities are recorded at amortised cost which the Directors believe approximates to their fair value. These assets and liabilities are Level 3.

The tables above provide an analysis of financial instruments that are measured subsequent to their initial recognition at fair value.

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

There have been no transfers of financial instruments between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

Reconciliation of Level 3 fair value measurement of financial assets and liabilities

An analysis of the movement between opening and closing balances of assets at FVTPL is given in note 11. Level 3 financial assets are those relating to investments in project companies.

All items in the above tables are measured at amortised cost other than the investments at FVTPL. The Directors believe that the amortised cost of these financial assets and liabilities approximates to their fair value.

b) Foreign currency and interest rate profile of financial assets other than investments at FVTPL

	31 December 2021 Financial assets			31 December 2020 Financial assets		
	Floating rate	**Non-interest bearing**	**Total**	Floating rate	Non-interest bearing	Total
Currency	**£ million**	**£ million**	**£ million**	£ million	£ million	£ million
Sterling	-	**3.8**	**3.8**	-	-	-
Euro	-	**0.2**	**0.2**	-	-	-
Canadian dollar	-	-	-	0.4	0.2	0.6
US dollar	-	**2.1**	**2.1**	-	0.8	0.8
Australian dollar	-	**0.6**	**0.6**	-	-	-
Total	-	**6.7**	**6.7**	0.4	1.0	1.4

c) Foreign currency and interest rate profile of financial liabilities

The Group's financial liabilities at 31 December 2021 were £9.5 million (31 December 2020 - £32.3 million), of which £nil (31 December 2020 - £nil) related to short-term cash borrowings.

	31 December 2021 Financial liabilities		
	Floating rate	**Non-interest bearing**	**Total**
Currency	**£ million**	**£ million**	**£ million**
Sterling	**(2.8)**	**(2.6)**	**(5.4)**
Euro	**(1.6)**	-	**(1.6)**
Colombian Peso	**(2.5)**	-	**(2.5)**
Total	**(6.9)**	**(2.6)**	**(9.5)**

	31 December 2020 Financial liabilities		
	Floating rate	Non-interest bearing	Total
Currency	£ million	£ million	£ million
Sterling	(28.8)	(1.2)	(30.0)
Euro	(1.6)	-	(1.6)
US dollar	-	(0.7)	(0.7)
Total	(30.4)	(1.9)	(32.3)

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15 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange rate risk, interest rate risk and inflation risk), credit risk, price or revenue risk (including power price risk, marginal loss factors in Australia and energy yield which impacts the fair value of the Group's investments in renewable energy projects), liquidity risk and capital risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

For the Company and its recourse subsidiaries, financial risks are managed by a central treasury operation which operates within the ultimate parent undertaking's board approved policies. The various types of financial risk are managed as follows:

Market risk - foreign currency exchange rate risk

As at 31 December 2021, the Group held investments in 29 overseas projects, including 27 indirectly in the investment portfolio held by John Laing Investment Limited (31 December 2020: 36 overseas projects), all of which are fair valued based on the spot exchange rate at 31 December 2021. The Group's foreign currency exchange rate risk policy is to determine the total Group exposure to individual currencies; it may then enter into hedges against certain individual investments. The Group's exposure to exchange rate risk on its investments is disclosed below.

In addition, the Group's policy on managing foreign currency exchange rate risk is to cover significant transactional exposures arising from receipts and payments in foreign currencies, where appropriate and cost effective. There were no forward currency contracts open as at 31 December 2021 (31 December 2020: 15). The fair value of these contracts at 2020 was a net liability of £2 million, which was included in investments at FVTPL.

At 31 December 2021, the Company's most significant currency exposure was to the US dollar (31 December 2020 - US Dollar).

Foreign currency exposure of investments at FVTPL:

	2021		
	Project companies	**Other assets and liabilities**	**Total**
	£ million	**£ million**	**£ million**
Sterling	**60.5**	**685.1**	**745.6**
Euro	**76.0**	-	**76.0**
Australian dollar	**183.0**	-	**183.0**
US dollar	**429.0**	-	**429.0**
Canadian dollar	**8.0**	-	**8.0**
Colombian peso	**61.0**	-	**61.0**
	817.5	**685.1**	**1,502.6**

	2020		
	Project companies	Other assets and liabilities	Total
	£ million	£ million	£ million
Sterling	232.7	(256.4)	(23.7)
Euro	151.3	(0.2)	151.1
Australian dollar	590.8	0.1	590.9
US dollar	482.5	113.6	596.1
Canadian dollar	3.2	(0.5)	2.7
Colombian peso	81.2	-	81.2
New Zealand dollar	-	0.7	0.7
	1,541.7	(142.7)	1,399.0

The investment in John Laing Investments Limited as at 31 December 2021 is analysed in the above table based on the underlying assets and liabilities held by the John Laing Investments Limited group because this is the basis for the fair value ascribed to the Group's investment.

Investments in project companies denominated in foreign currencies within portfolio valuation above, which includes 50% of the John Laing Investments Limited group's investments in project companies, are fair valued based on the spot exchange rate at the balance sheet date. As at 31 December 2021, a 5% movement of each relevant currency against Sterling would decrease or increase the value of investments in the portfolio valuation by c.£29 million (2020: c.£57 million). The Group's profit before tax would be impacted by the same amounts. There would be no additional impact on equity.

Market risk - interest rate risk

The Group's direct exposure to interest rate risk is from fluctuations in interest rates which impact on the value of returns from floating rate deposits and expose the Group to variability in interest payment cash flows on variable rate borrowings. The Group has assessed its exposure to interest rate risk and considers that this exposure is low as its variable rate borrowings tend to be short term, its finance costs in relation to letters of credit issued under the corporate banking facilities are at a fixed rate and the interest earned on its cash and cash equivalents minimal.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

15 Financial risk management (continued)

Market risk - interest rate risk (continued)

The exposure of the Group's financial assets to interest rate risk is as follows:

	31 December 2021		
	Interest bearing Floating rate	Non-interest bearing	Total
	£ million	£ million	£ million
Financial assets			
Investments at fair value through profit or loss	-	1,502.6	1,502.6
Trade and other receivables	-	0.1	0.1
Financial asset exposed to interest rate risk	-	1,502.7	1,502.7

	31 December 2020		
	Interest bearing Floating rate	Non-interest bearing	Total
	£ million	£ million	£ million
Financial assets			
Investments at fair value through profit or loss	-	1,399.0	1,399.0
Derivative financial instruments	-	0.8	0.8
Trade and other receivables	0.4	0.2	0.6
Financial asset exposed to interest rate risk	0.4	1,400.0	1,400.4

The Group has indirect exposure to interest rate risk through the fair value of its investments at FVTPL which is determined on a discounted cash flow basis. The key inputs under this basis are (i) the discount rate and (ii) the cash flow forecast to be received from project companies. An analysis of the movement between opening and closing balances of investments at FVTPL is given in note 11.

The forecast cash flows are determined by future project revenue and costs, including interest income and interest costs which can be linked to interest rates. Project companies take out either fixed-rate borrowings or enter into interest rate swaps to fix interest rates on variable rate borrowings which mitigates this risk. The level of interest income in project companies is not significant and therefore the Group does not consider there is a significant risk from a movement in interest rates in this regard.

Movement in market interest rates can also have an impact on discount rates. At 31 December 2021, the weighted average discount rate was 7.7% (31 December 2020: 9.0%). As at 31 December 2021, a 0.25% increase in the discount rate would reduce the fair value by £21 million (31 December 2020: £35 million) and a 0.25% reduction in the discount rate would increase the fair value by £22 million (31 December 2020: £37 million). The Group's profit before tax would be impacted by the same amounts. There would be no additional impact on equity.

The exposure of the Group's financial liabilities to interest rate risk is as follows:

	31 December 2021		
	Interest bearing Floating rate	Non-interest bearing	Total
	£ million	£ million	£ million
Trade and other payables	6.9	2.6	9.5
Financial liability exposed to interest rate risk	6.9	2.6	9.5

	31 December 2020		
	Interest bearing Floating rate	Non-interest bearing	Total
	£ million	£ million	£ million
Trade and other payables	(30.4)	(1.2)	(31.6)
Derivative financial instruments	-	(0.7)	(0.7)
Financial liability exposed to interest rate risk	(30.4)	(1.9)	(32.3)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

15 Financial risk management (continued)

Market risk - inflation risk

The Group has limited direct exposure to inflation risk, but the fair value of investments is determined by future project revenue and costs which can be partly linked to inflation. Sensitivity to inflation can be mitigated by the project company entering into inflation swaps. Where PPP investments are positively correlated to inflation, an increase in inflation expectations will tend to increase their value.

At 31 December 2021, a 0.25% increase in inflation across the entire portfolio at 31 December 2021 is estimated to increase the value by c.£12 million and a 0.25% decrease in inflation is estimated to decrease the value by c.£12 million. Certain of the underlying project companies incorporate some inflation hedging.

Credit risk

Credit risk is managed on a Group basis and arises from a combination of the value and term to settlement of balances due and payable by counterparties for both financial and trade transactions.

In order to minimise credit risk, cash investments and derivative transactions are limited to financial institutions of a suitable credit quality and counterparties are carefully screened. The Group's cash balances are invested in line with a John Laing Group Limtied policy, capped with regard to counter-party credit ratings.

A significant number of the project companies in which the Group invests receive revenue from government departments, public sector or local authority clients and/or directly from the public. As a result, these projects tend not to be exposed to significant credit risk.

Price or revenue risk

The Group's investments in PPP assets have limited direct exposure to price or revenue risk. The fair value of many such project companies is dependent on the receipt of fixed fee income from government departments, public sector or local authority clients. As a result, these projects tend not to be exposed to price risk.

The Group also holds investments in renewable energy projects whose fair value may vary with forecast energy prices to the extent they are not economically hedged through short to medium-term fixed price purchase agreements with electricity suppliers, or do not benefit from governmental support mechanisms at fixed prices.

At 31 December 2021, a 5% increase in power price forecasts on all investments in the portfolio subject to power and gas prices with a total value of £119 million is estimated to increase their value by c.£8 million and a 5% decrease in forecast is estimated to decrease the value by c.£9 million.

With regards to energy yield risk on the value of the Group's investments in renewable energy projects of £112 million at 31 December 2021, a 5% increase in the forecast volume of future energy generation would increase the value at 31 December 2021 by c.£19 million, whilst a 5% decrease in forecast volume would decrease the value by c.£21 million.

For all of the above sensitivities on the portfolio value as at 31 December 2021, the Group's profit before tax would be impacted by the same amounts described above. There would be no additional impact on equity.

For further information on these sensitivities, please refer to the Portfolio valuation section.

Liquidity risk

The Group adopts a prudent approach to liquidity management by maintaining sufficient cash and available committed facilities to meet its current and upcoming obligations.

The Group's liquidity management policy involves projecting cash flows in major currencies and assessing the level of liquid assets necessary to meet these.

Maturity of financial assets

The maturity profile of the Group's financial assets (excluding investments at FVTPL) is as follows:

	31 December 2021			31 December 2020		
	Less than one year	**Greater than one year**	**Total**	Less than one year	Greater than one year	Total
	£ million	**£ million**	**£ million**	£ million	£ million	£ million
Derivative financial instruments	-	-	-	0.7	-	0.7
Trade and other receivables	**0.1**	-	**0.1**	21.0	-	21.0
Cash and cash equivalents	**6.6**	-	**6.6**	0.1	-	0.1
Financial assets (excluding investments at FVTPL)	**6.7**	-	**6.7**	21.8	-	21.8

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for the year ended 31 December 2021

15 Financial risk management (continued)

Liquidity risk (continued)

None of the financial assets is either significantly overdue or impaired.

The maturity profile of the Group's financial liabilities is as follows:

	31 December 2021	31 December 2020
	£ million	£ million
In one year or less, or on demand	(9.5)	(32.3)

The following table details the remaining contractual maturity of the Company's financial liabilities. The table reflects undiscounted cash flows relating to financial liabilities based on the earliest date on which the Group is required to pay. The table includes both interest and principal cash flows:

	Weighted average effective interest rate	In one year or less	Total
	%	£ million	£ million
31 December 2021			
Floating rate - loans from fellow group undertakings	2.10	(6.9)	(6.9)
Non-interest bearing instruments*	n/a	(2.6)	(2.6)
		(9.5)	(9.5)
31 December 2020			
Floating rate - loans from fellow group undertakings	2.10	(30.4)	(30.4)
Non-interest bearing instruments*	n/a	(1.9)	(1.9)
		(32.3)	(32.3)

* Non-interest bearing instruments relate to trade and other payables and derivative financial instruments.

Capital risk

The Company seeks to adopt efficient financing structures that enable it to manage capital effectively and achieve the Company's objectives without putting shareholder value at undue risk. The Company's capital structure comprises its equity (as set out in the Statement of Changes in Equity) and its net borrowings.

Short-term borrowings drawn by the Company at 31 December 2020 from the John Laing Group corporate banking facilities were fully repaid in the year. Following the change in ownership of John Laing Group Limited, these banking facilities expired in October 2021. At 31 December 2021, the Company was not a borrower, obligor or guarantor on any banking facilities. The Group entered into new banking facilities in March 2022.

In the absence of banking facilities, the Group had cash collateralised a letter of credit of £2 million issued by one of the Group's banks at 31 December 2021 for a performance bond in respect of a PPP investment bidding process the Group was engaged in. A letter of credit issued to project lenders in relation to the Group's investment commitment on the North East Link PPP project in Australia was backed by a letter of credit issued on a banking facility of KKR.

	31 December 2021				
	Total facilities	**Loans drawn**	**Bank overdraft**	**Letters of credit in issue/other commitments**	**Total undrawn**
	£ million	**£ million**	**£ million**	**£ million**	**£ million**
Committed corporate banking facilities	-	-	-	-	-
Total committed Group facilities	-	-	-	-	-

	31 December 2020				
	Total facilities	Loans drawn	Bank overdraft	Letters of credit in issue/other commitments	Total undrawn
	£ million	£ million	£ million	£ million	£ million
Committed corporate banking facilities	650.0	(138.0)	-	(56.8)	455.2
Total committed Group facilities	650.0	(138.0)	-	(56.8)	455.2

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

16 Provisions

	At 1 January 2021	Charge to Income Statement	Utilised	At 31 December 2021
	£ million	£ million	£ million	£ million
Onerous contract in relation to retirement benefit obligations	-	(202.4)	202.4	-
Total provisions	-	(202.4)	202.4	-

	At 1 January 2020	Credit to Income Statement	Utilised	At 31 December 2020
	£ million	£ million	£ million	£ million
Onerous contract in relation to retirement benefit obligations	-	(26.5)	26.5	-
Total provisions	-	(26.5)	26.5	-

The Company is the principal employer of the John Laing Pension Fund with the participating employers, John Laing Services Limited and Laing Investments Management Services Limited. The obligations of the pension fund are recognised by John Laing Services Limited, as the original main employer of fund members, in its financial statements in accordance with IAS 19 Employee Benefits. The Company has agreed to make deficit reduction contributions to the fund. Any liability of the fund under IAS 19 is therefore shown as a provision under an onerous contract. During the year, the Company paid deficit reduction contributions of £202.4 million (2020 - £26.5 million), which is shown as a utilisation of the provision in the year. There remains a surplus on retirement benefit obligations at 31 December 2021 and therefore no provision is required at this date. There is a charge to the Income Statement for the year ended 31 December 2021 of £202.4 million (2020 - £26.5 million).

17 Share capital

	2021	2020
Authorised:	**No.**	No.
Ordinary shares of £0.25 each	**470,605,252**	470,605,252

	2021	2020
Allotted, called up and fully paid:	**£ '000**	£ '000
40,000 ordinary shares (2020 - 40,000) of £0.25 each	**10**	10

18 Net cash outflow from operating activities

	2021	2020
	£ million	£ million
Profit/(loss) before tax	**131.6**	(74.9)
Adjustments for:		
Interest income	**(1.6)**	(0.3)
Dividend income	**(495.0)**	(20.0)
Finance costs	**2.4**	0.7
Net movement in fair value of derivatives	**-**	0.1
Net foreign exchange movements	**(2.0)**	(1.1)
Impairment (reversal)/charge	**(9.4)**	0.3
Unrealised loss arising on changes in fair value of investments	**164.8**	66.8
Onerous contract in respect of retirement benefit obligations	**202.4**	26.5
Decrease in provisions (note 16)	**(202.4)**	(26.5)
Operating cash outflow before movements in working capital	**(209.2)**	(28.4)
Decrease in trade and other receivables	**(0.5)**	(0.5)
Cash outflow from operations	**(209.7)**	(28.9)
Net cash outflow from operating activities	**(209.7)**	(28.9)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

19 Guarantees and other commitments

At 31 December 2021, the Group had future equity and loan commitments of £42.0 million (31 December 2020 - £162.4 million) backed by letters of credit and other guarantees of £42.0 million (31 December 2020 - £54.8 million) and cash collateral of £nil million (31 December 2020 - £107.6 million). The letter of credit issued at 31 December 2021 was from a banking facility of KKR available for the use of the fund that owns the Company. There were also contingent commitments, performance and bid bonds of £2.0 million (31 December 2020 - £2.0 million).

Claims arise in the normal course of trading which in some cases involve or may involve litigation. Full provision has been made for all amounts which the Directors consider are likely to become payable on account of such claims.

20 Related parties

There were no transactions with related parties other than those disclosed in the financial statements.

21 Ultimate parent undertaking

The Company is an immediate subsidiary undertaking of John Laing Holdco Limited whose registered address is 1 Kingsway, London, England, WC2B 6AN.

The Company considers the ultimate controlling party to be KKR & Co. Inc, incorporated in Delaware, United States of America and registered at 30 Hudson Yards, Suite 7500, New York, New York, 1001, United States of America.

The smallest group in which the results of the Group are included is that headed by John Laing Holdco Limited, a company incorporated in the United Kingdom and whose registered address is 1 Kingsway, London, England, WC2B 6AN.

The largest group in which the results of the Group are included is that headed by Aqueduct Bidco Limited, a company incorporated in the United Kingdom and whose registered address is 11th Floor, 200 Aldersgate Street, London, England, EC1A 4HD.

22 Events after balance sheet date

In March 2022, Aqueduct Bidco Limited, a parent Company of John Laing Limited secured £375 million of banking facilities for a minimum term of three years. Aqueduct Bidco Limited is the principal entity on the facilities five of its subsidiary undertakings as co-borrowers and guarantors which includes John Laing Limited.

In January 2022, the Group acquired the entire interest in Brigid UK Investments Limited from Macquarie Bank. This entity holds a 50% share of Brigid UK Holdings Limited with the other 50% share already held by the Group. Following this acquisition, the Group now holds the entire interest in the UK-based specialised accommodation platform.

Following the outbreak of the conflict in Ukraine, the Group undertook a review of its operations including key suppliers and other significant relationships to determine if there was any impact from the escalating conflict. The Group has not experienced any significant impact but will continue to monitor the situation as it develops.

The majority of the Group's investments are positively correlated to inflation so it would expect the increase in short-term inflation that the Group has seen after the balance sheet date to increase the total value of its investments. Increase in energy costs on one UK project, not matched by inflationary increases in revenue, has had an adverse impact on the value of the Group's investment but the investment is only 1% of the total portfolio value and the impact is not significant.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

23 Subsidiaries and other investments

Subsidiaries through which the Company holds its investments in project companies, are described as "recourse". Project companies in which the Group indirectly invests are described as "non-recourse" which means that providers of debt to such project companies do not have recourse beyond John Laing's equity commitments in the underlying projects.

The Company meets the definition of an investment entity. Therefore, it does not consolidate its subsidiaries rather, recognises them as investments at fair value through profit or loss.

Details of the Company's subsidiaries at 31 December 2021 were as follows:

Name		Country of incorporation	Ownership interest	Registered office
Recourse subsidiaries				
Investment entity subsidiaries (measured at fair value)				
Aqueduct NewCo 1 Limited	*	United Kingdom	100%	11th Floor 200 Aldersgate Street, London, England, EC1A 4HD
Aqueduct NewCo 2 Limited	**	United Kingdom	100%	11th Floor 200 Aldersgate Street, London, England, EC1A 4HD
Glasfaser Deutschland UK John Laing Holdings Ltd	**	United Kingdom	100%	Note 1
John Laing Investments Holding Ltd (previously John Laing Funding Limited)	*	United Kingdom	100%	Note 1
John Laing Overseas Holdings Ltd	**	United Kingdom	100%	Note 1
John Laing Limited Netherlands Holdings BV	**	Netherlands	100%	Schiphol Boulevard 253, B-7, 1118 BH Schiphol, The Netherlands
John Laing Limited (NEL) BV	**	Netherlands	100%	Schiphol Boulevard 253, B-7, 1118 BH Schiphol, The Netherlands
John Laing Senior Living HoldCo Ltd	**	United Kingdom	100%	Note 1
John Laing Sepulveda Holdco Corp	**	United States	100%	Note 8
JL Olimpia Holdco Limited	**	United Kingdom	100%	Note 1
John Laing Investments Holding Andes Limited	**	United Kingdom	100%	Note 1
John Laing Buckthorn Wind HoldCo Corp	**	United States	100%	Note 8
John Laing Homes Limited	**	United Kingdom	100%	Note 1
John Laing Projects & Developments (Holdings) Limited	**	United Kingdom	100%	Note 1
Laing Investment Company Limited	**	United Kingdom	100%	Note 1
Laing Property Limited	**	United Kingdom	100%	Note 1
Laing Property Holdings Limited	**	United Kingdom	100%	Note 1
Non-recourse subsidiaries				
Subsidiary project subsidiaries (measured at fair value)				
Bradfield Metro Finance Pty Ltd	**	Australia	100%	Level 16, 15 Castlereagh Street, Sydney, NSW 2000, Australia
EFN GmbH	**	Germany	100%	Bendenstr 31, 53879 Euskirchen, Germany
Glasfaser Direkt Holding GmbH	**	Germany	100%	Erftstraße 15-17, 50672 Köln Germany
Glasfaser Direkt GmbH	**	Germany	100%	Erftstraße 15-17, 50672 Köln Germany
Golden Valley JL Holdco Limited	**	United Kingdom	100%	Note 1
Jobst NET GmbH	**	Germany	100%	Bayreuther Str, 33 92224 Amberg Germany
LA SkyRail Express Holdings LLC	**	United States	90%	Note 8
LA SkyRail Express LLC	**	United States	90%	Note 8
River Valley JL Holdco Limited	**	United Kingdom	100%	Note 1
TK Planer GmbH	**	Germany	100%	Bendenstr 31, 53879 Euskirchen, Germany

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for the year ended 31 December 2021

23 Subsidiaries and other investments (continued)

Name		Country of incorporation	Ownership interest	Registered office
Non-recourse joint venture holding companies				
(measured at fair value)				
Cleantech JL Holdco Limited	**	United Kingdom	50%	Note 1
Denver Rail (Eagle) Holdings Inc.	**	United States	50%	Note 8
Highlands Project Loan Note Company Ltd	**	United Kingdom	50%	Note 4
Hurontario John Laing Holdco Corp	**	Canada	50%	100 King Street West, Suite 6200, 1 First Canadian Place, Toronto, Canada, M5X 1B8
John Laing AFC Holdco Corp	**	United States	50%	Note 8
John Laing I-4 Holdco Corp	**	United States	50%	Note 8
John Laing Investments Limited	**	United Kingdom	50%	Note 1
John Laing Investments (SLR) Pty Ltd	**	Australia	50%	Note 4
John Laing I-75 Holdco Corp	**	United States	50%	Note 8
John Laing I-77 Holdco Corp	**	United States	50%	Note 8
John Laing Infrastructure Limited	**	United Kingdom	50%	Note 1
John Laing Investments (East Rockingham) BV	**	Netherlands	50%	Note 3
John Laing Investments (Grafton) Hold Co Pty Ltd	**	Australia	50%	Note 4
John Laing Investments (Grafton) BV	**	Netherlands	50%	Note 3
John Laing Investments (Granville) BV	**	Netherlands	50%	Note 3
John Laing Investments (LBAJQ) BV	**	Netherlands	50%	Note 3
John Laing Investments (Melbourne Metro) BV	**	Netherlands	50%	Note 3
John Laing Investments (Melbourne Metro) Pty Ltd	**	Australia	50%	Note 4
John Laing Investments Netherlands Holdings BV	**	Netherlands	50%	Note 3
John Laing Investments (NGR) BV	**	Netherlands	50%	Note 3
John Laing Investments (NRAH) BV	**	Netherlands	50%	Note 3
John Laing Investments Overseas Holdings Limited	**	United Kingdom	50%	Note 1
John Laing Investments (Perth Stadium) BV	**	Netherlands	50%	Note 3
John Laing Investments (SLR) BV	**	Netherlands	50%	Note 3
John Laing Investments Spain SLU	**	Spain	50%	Iberia Mart I, Calle Pedro Texeira 8, 28020 Madrid, Spain
John Laing Investments (Sunraysia) BV	**	Netherlands	50%	Note 3
John Laing Live Oak Wind HoldCo Corp	**	United States	50%	Note 8
Ruta del Cacao JL Holdco SLU	**	Spain	50%	Iberia Mart I, Calle Pedro Texeira 8, 28020 Madrid, Spain
West Valley JL Holdco Limited	**	United Kingdom	50%	Note 1

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23 Subsidiaries and other investments (continued)

Name		Country of incorporation	Ownership interest	Registered office
Non-recourse joint venture project companies (continued)				
(measured at fair value)				
A-Lanes A15 Holding BV	**	Netherlands	14%	Venkelweg 64, Hoogvliet Rotterdam, Netherlands
A-Lanes A15 BV	**	Netherlands	14%	Venkelweg 64, Hoogvliet Rotterdam, Netherlands
A-Lanes Management Services BV	**	Netherlands	12.5%	Westkanaaldijk 2, Utrecht, Netherlands
Alder Hey Holdco 3 Limited	**	United Kingdom	20%	Note 2
Alder Hey Holdco 2 Limited	**	United Kingdom	20%	Note 2
Alder Hey Holdco 1 Limited	**	United Kingdom	20%	Note 2
Alder Hey (Special Purpose Vehicle) Limited	**	United Kingdom	20%	Note 2
ALTRAC Light Rail Holdings 3 Pty Limited	**	Australia	50%	Note 4
ALTRAC Light Rail Holdings Trust 3	**	Australia	50%	Note 4
ALTRAC Light Rail 3 Pty Limited	**	Australia	50%	Note 4
ALTRAC Light Rail Trust 3	**	Australia	50%	Note 4
ALTRAC Light Rail Partnership	**	Australia	16.25%	Level 7, 280 Elizabeth St Surry Hills, NSW 2010, Australia
Brantley Farm Solar LLC	**	United States	45%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
Boston AFC 2.0 HoldCo LLC	**	United States	45%	Note 8
Brantley HoldCo LLC	**	United States	45%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
Buckleberry HoldCo LLC	**	United States	45%	Note 9
Boston AFC 2.0 Opco LLC	**	United States	45%	Note 8
Buckleberry Solar LLC	**	United States	45%	Note 9
CCP-PL Lessor III LLC	**	United States	45%	Note 8
CCP-PL Lessor IV LLC	**	United States	45%	Note 8
CCP-PL Lessor V LLC	**	United States	45%	Note 8
CCP-PL Managing Member III LLC	**	United States	50%	Note 8
CCP-PL Managing Member IV LLC	**	United States	50%	Note 8
CCP-PL Managing Member V LLC	**	United States	50%	Note 8
Concession La Pintada SAS	**	Colombia	10.56%	Carrera 26 No. 36 - 14 oficina 702 edificio Fénix
Concesionaria Ruta del Cacao SAS	**	Colombia	15%	Carrera 26 No. 36 - 14 oficina 702 edificio Fénix Bucaramanga, Santander
CountyRoute (A130) Plc	**	United Kingdom	50%	Note 2
CountyRoute 2 Limited	**	United Kingdom	50%	Note 2
CountyRoute Limited	**	United Kingdom	50%	Note 2
Cross Yarra Holding Trust 3	**	Australia	50%	Note 4
Cross Yarra 3 Pty Limited	**	Australia	50%	Note 4
Cross Yarra Trust 3	**	Australia	50%	Note 4
Cypress Creek Fund 11 LLC	**	United States	45%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
Cypress Creek Fund 11 Managing Member LLC	**	United States	50%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
Cypress Creek Fund 12 LLC	**	United States	45%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
Cypress Creek Fund 12 Managing Member LLC	**	United States	50%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
CY Holding 3 Pty Limited	**	Australia	50%	Note 4
Cramlington Renewable Energy Developments Hold Co Limited[1]	**	United Kingdom	22.36%	Note 2
Cross Yarra Partnership	**	Australia	15%	Level 8, 136 Exhibition St, Melbourne VIC 3000, Australia

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

23 Subsidiaries and other investments (continued)

Name		Country of incorporation	Ownership interest	Registered office
Non-recourse joint venture project companies (continued)				
(measured at fair value)				
De Groene Boog Holding BV	**	Netherlands	23.75%	Marten Meesweg 25, Rotterdam, Netherlands
De Groene Boog BV	**	Netherlands	23.75%	Marten Meesweg 25, Rotterdam, Netherlands
Denver Transit Holdings LLC	**	United States	25%	Note 8
Denver Transit Partners LLC	**	United States	25%	Note 8
Dritte Nordergründe Beteiligungs GmbH	**	Germany	50%	Lise-Meitner-Strasse 5, 28359 Bremen, Germany
East Rockingham RRF Finance Co Pty Ltd.	**	Australia	20%	Note 4
East Rockingham RRF Hold Co Pty Ltd	**	Australia	20%	Note 4
East Rockingham RRF Hold Co 2 Pty Ltd.	**	Australia	20%	Note 4
East Rockingham RRF Hold Trust	**	Australia	20%	Note 4
East Rockingham RRF Hold Trust 2	**	Australia	20%	Note 4
East Rockingham RRF Project Trust	**	Australia	20%	Note 4
East Rockingham RRF Project Co Pty Ltd.	**	Australia	20%	Note 4
Finley Solar Holdings Pty Ltd	**	Australia	50%	Note 4
Finley Solar Farm Pty Ltd	**	Australia	50%	Note 4
Finley Solar Finance Pty Ltd	**	Australia	50%	Note 4
Finley Solar Trust	**	Australia	50%	Note 4
Fox Creek Farm Solar LLC	**	United States	45%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
Fox Creek HoldCo LLC	**	United States	45%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
GelreGroen Holding BV	**	Netherlands	40%	Taurusavenue 100,2132 LS Hoofddorp, Netherlands
GelreGroen BV	**	Netherlands	40%	Taurusavenue 100,2132 LS Hoofddorp,
Glencarbry (Holdings) Limited	**	United Kingdom	50%	Note 1
Glencarbry Supply Company Limited	**	Ireland	50%	Arthur Cox Building, Earlsfort Terrace, Dublin 2, Ireland
I-4 Mobility Partners HoldCo LLC	**	United States	25%	Note 8
I-4 Mobility Partners Midstream LLC	**	United States	25%	Note 8
I-4 Mobility Partners Op Co LLC	**	United States	25%	Note 8
I-77 Mobility Partners Holding LLC	**	United States	8.73%	1209 Orange St, Wilmington, Delaware
I-77 Mobility Partners LLC	**	United States	8.73%	1209 Orange St, Wilmington, Delaware 19801, USA
Innovative Solar 54 LLC	**	United States	45%	Note 9
Innovative Solar 67 LLC	**	United States	45%	Note 9
IS54 HoldCo LLC	**	United States	45%	Note 9
John Laing Investments (Grafton) Hold Co Pty Ltd	**	Australia	50%	Note 4
John Laing Live Oak Wind OpCo LLC	**	United States	50%	Note 8
John Laing US Solar Corp	**	United States	50%	Note 8

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

23 Subsidiaries and other investments (continued)

Name		Country of incorporation	Ownership interest	Registered office
Non-recourse joint venture project companies (continued)				
(measured at fair value)				
Kabeltrasse Morbach GmbH & Co. KG	**	Germany	40.91%	Oberdorfstraße 10, 55262 Heidesheim am Rhein, Germany
KGE Windpark Schipkau-Nord GmbH & Co. KG	**	Germany	50%	Am Nesseufer 40, 26789 Leer, Germany
KGE Schipkau-Nord Infrastruktur GmbH & Co. KG	**	Germany	43.25%	Am Nesseufer 40, 26789 Leer, Germany
Klettwitz Schipkau Nord Beteiligungs GmbH	**	Germany	50%	Note 7
Klettwitz SN Holdings GmbH	**	Germany	50%	Note 7
Klettwitz SN Verwaltungs GmbH	**	Germany	50%	Note 7
LA SkyRail Express FinCo LLC	**	United States	50%	Note 8
Laing/Gladedale (Hastings) Holdings Limited	**	United Kingdom	50%	Note 1
Laing/Gladedale (Hastings) Limited	**	United Kingdom	50%	Note 1
Laing Wimpey Alireza Limited	**	Saudi Arabia	33%	P.O. Box 2059, Jeddah, Saudi Arabia
Live Oak Wind Class B Member LLC	**	United States	37.5%	1675 South State Street, Suite B Dover, DE 19901,USA
Live Oak Wind Holdco LLC	**	United States	37.5%	1675 South State Street, Suite B Dover, DE 19901,USA
Live Oak Wind Partners LLC	**	United States	37.5%	1675 South State Street, Suite B Dover, DE 19901,USA
Live Oak Wind Project LLC	**	United States	37.5%	1675 South State Street, Suite B Dover, DE 19901,USA
Mobilinx Hurontario General Partnership	**	Canada	17.5%	110 Matheson Boulevard West, 4th Floor, Mississauga, Ontario, Canada L5R 4G7
NGR Holding Company Pty Limited	**	Australia	20%	c/- Allens, Level 33, 101 Collins Street, Melbourne VIC 3000, Australia
NGR Project Company Pty Limited	**	Australia	20%	c/- Allens, Level 33, 101 Collins Street, Melbourne VIC 3000, Australia
NGR Holding Trust	**	Australia	20%	c/- Allens, Level 33, 101 Collins Street, Melbourne VIC 3000, Australia
NGR Project Trust	**	Australia	20%	c/- Allens, Level 33, 101 Collins Street,
Nordergründe Holdco GmbH	**	Germany	50%	Lise-Meitner-Strasse 5, 28359 Bremen, Germany
NorthernPathways Holding Pty Ltd	**	Australia	50%	Note 4
NorthernPathways Pty Ltd	**	Australia	50%	Note 4
NorthernPathways Project Trust	**	Australia	50%	Note 4
NorthernPathways Holding Trust	**	Australia	50%	Note 4
Oakland Corridor Partners HoldCo LLC	**	United States	35%	1209 Orange St, Wilmington, Delaware 19801, USA
Oakland Corridor Partners LLC	**	United States	35%	1209 Orange St, Wilmington, Delaware 19801, USA
Olimpia Bidco Limited	**	United Kingdom	50%	Note 1
OWP Nordergründe GmbH & Co. KG	**	Germany	15%	Stephanitorsbollwerk 3, 28217 Bremen, Germany
Parkway 6 BV	**	Netherlands	42.5%	Taurusavenue 100, Hoofddorp, Netherlands
Parkway 6 Holding BV	**	Netherlands	42.5%	Taurusavenue 100, Hoofddorp, Netherlands
Solar House Holdings	**	France	40%	6 Avenue du Coq, 75009 Paris, France
Spark North East Link Holding Pty Limited	**	Australia	20%	Note 10

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

23 Subsidiaries and other investments (continued)

Name		Country of incorporation	Ownership interest	Registered office
Non-recourse joint venture project companies (continued)				
(measured at fair value)				
Spark North East Link Holding Trust	**	Australia	20%	Note 10
Spark North East Link Pty Limited	**	Australia	20%	Note 10
Spark North East Link Trust	**	Australia	20%	Note 10
Speyside Renewable Energy Partnership Hold Co Limited	**	United Kingdom	21.68%	13 Queens Road, Aberdeen, Scotland, AB15 4YL
Speyside Renewable Energy Finance PLC[2]	**	United Kingdom	21.68%	Note 2
Speyside Renewable Energy Partnership[2] Limited	**	United Kingdom	21.68%	13 Queens Road, Aberdeen, Scotland, AB15 4YL
Sunraysia Solar Farm Holdings Pty Ltd	**	Australia	45.05%	Level 4, 5 Talavera Road Macquarie Park, NSW 2113, Australia
Sunraysia Solar Project Pty Ltd	**	Australia	45.05%	Level 4, 5 Talavera Road Macquarie Park, NSW 2113, Australia
Sunraysia Solar Project Holdings Trust	**	Australia	45.05%	Level 4, 5 Talavera Road Macquarie Park, NSW 2113, Australia
Sunraysia Solar Project Trust	**	Australia	45.05%	Level 4, 5 Talavera Road Macquarie Park, NSW 2113, Australia
Sunraysia Solar Finance Pty Ltd	**	Australia	45.05%	Level 4, 5 Talavera Road Macquarie Park, NSW 2113, Australia
Transcend Property Limited	**	United Kingdom	50%	Note 1
Uliving@Brighton (Holdco) Limited	**	United Kingdom	42.5%	Linkcity, Becket House, 1 Lambeth Palace Road, London SE1 7EU
Uliving@Brighton Limited	**	United Kingdom	42.5%	Linkcity, Becket House, 1 Lambeth Palace Road, London SE1 7EU
US Solar John Laing Op Co LLC	**	United States	50.00%	Note 8
Vierte Nordergründe Beteiligungs GmbH	**	Germany	50.00%	Lise-Meitner-Strasse 5, 28359 Bremen, Germany
Westcoast Wind Pty Ltd	**	Australia	49.8%	Level 13, 664 Collins Street, Dockland VIC 3008, Australia
Windpark Horath Holding GmbH	**	Germany	50%	Note 7
Windpark Horath Verwaltungs GmbH	**	Germany	50%	Note 7
Wimpey Laing Overseas Ltd	**	United Kingdom	25%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR
Wimpey Laing Limited	**	United Kingdom	50%	Gate House, Turnpike Road, High
WP Horath GmbH & Co KG	**	Germany	50%	Note 7
Zweite Nordergründe Beteiligungs GmbH	**	Germany	50%	Lise-Meitner-Strasse 5, 28359 Bremen, Germany

* Entities owned directly by the Company

** Entities owned indirectly by the Company

[1] These companies were dissolved on 26 January 2022.

[2] These entities were sold by Speyside Renewable Energy Partnership Hold Co Limited on 21 March 2022

Notes:

1. The registered office of these companies is: 1 Kingsway, London, WC2B 6AN
2. The registered office of these companies is: 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
3. The registered office of these companies is: Schiphol Boulevard 253 D-building, Schiphol,1118 BH, The Netherlands
4. The registered office of these companies is: Level 16, 15 Castlereagh Street, Sydney NSW 2000, Australia
5. The registered office of these companies is: Suite 3 Level 14, 219-227 Elizabeth Street, Sydney NSW 2000, Australia
6. The registered office of these companies is: 4th Floor 4 Copthall Avenue, London, EC2R 7DA
7. The registered office of these companies is: Münzstraße 21, D-10178 Berlin, Germany
8. The registered office of these companies is: 251 Little Falls Drive, Wilmington, Delaware 19808, USA
9. The registered office of these companies is: 2626 Glendwood Avenue, Suite 550, Raleigh, North Carolina 27608, USA
10. The registered office of these companies is: Level 14, Tower 3 International Towers Sydney, 300 Barangaroo Avenue, Barangaroo, NSW 2000, Australia