JOHN LAING INFRASTRUCTURE LIMITED
ANNUAL REPORT AND UNAUDITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021

Registered number: 04401816

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
V Burnett

Registered office
1 Kingsway
London
United Kingdom
WC2B 6AN

DIRECTORS' REPORT

The Director presents the Annual Report and the unaudited financial statements for John Laing Infrastructure Limited (the "Company") for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the holding of investments on behalf of John Laing Investments Limited. Following divestments and certain projects reaching the end of their concession, the Company now comprises of just one investment in the A130 road project in the UK.

DIRECTORS

The Directors who served throughout the year and up to the date of this report were:
S M Colvin
W Lee (appointed 14 January 2022)
C Underwood (resigned 14 January 2022)

RESULTS AND DIVIDENDS

Profit before tax for the year ended 31 December 2021 was £2.7 million (2020 - loss before tax of £3.3 million). Net asset value at 31 December 2021 was £156.2 million (2020 - £154.0 million).
During the year, the Company did not pay a dividend. The Directors do not propose a final dividend for 2021.

FINANCIAL RISK MANAGEMENT

The Company has an effective system of risk management in terms of identifying risks and monitoring actions to manage these risks.
Risk is an unavoidable element of doing business. The Company's risk management systems aim to provide assurances to the Board of directors regarding the effectiveness of the Company's ability to manage risks. The risk management processes are embedded across the Group's activities and, combined with its active approach to the development, delivery and operation of infrastructure assets, ensures that the Company only bears risks it understands and that are within the defined risk appetite. It manages these risks in the successful delivery of its strategic objectives.

Credit Risk

The principal risk faced by the Company is credit risk. Credit risk is reduced as the A130 investment is a PPP project where revenues are derived from local governmental bodies. The credit risk on amounts due from Company undertakings is limited because the counterparty is a core company in the John Laing Company with significant net assets and financial resources.

Liquidity Risk

The Company's exposure to liquidity risk is limited because it has significant net current assets including insignificant short term financial demands.

COVID-19, Brexit and emerging risks

COVID-19 caused a severe disruption across the global economy with the full impact of the global pandemic still to be seen and the shape of the recovery remaining unknown. The risks to the Company continue to be closely monitored. Through the height of the crisis in 2020, the Company's investment proved very resilient against the impact from COVID-19 and this continued through 2021.

Following the UK's official exit from the EU in January 2021, the Company has not seen a significant impact to its operations.

The Company has not experienced any significant direct impact on its operations from the ongoing conflict in Ukraine. The Company is aware of the global impact an ongoing conflict could have on government funding and infrastructure procurement plans.

DIRECTORS' REPORT

GOING CONCERN

The Directors has reviewed the financial projections and cash flow forecasts and believe, based on those projections and forecasts and taking into account expected operational performance, that it is appropriate to prepare the financial statements on the going concern basis.

The Company's only significant liability at 31 December 2021 is a corporation tax liability but the Company has an amount owed by its immediate parent undertaking well in excess of this liability. As a result, the Directors do not believe any of the above factors will have an adverse impact on the Company's liquidity or its ability to meet its obligations and liabilities for the next 12 months.

In determining that the Company is a going concern, certain risks and uncertainties have been considered. After making this assessment, the Directors believe that the Company is adequately placed to manage these risks.

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.

DIRECTORS' INSURANCE

The Company's Directors are covered by insurance policies entered into by one the Company's parent undertakings, that insure them against liability arising from negligence, breach of duty and breach of trust in relation to the Company.

FUTURE DEVELOPMENTS

The Company is not pursuing any other investments and will manage its remaining investment until divestment or the end of the project term.

EVENTS AFTER BALANCE SHEET DATE

For details of events after the balance sheet date, see note 14 to the financial statements.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. No strategic report has been prepared in accordance with Section 414B of the Companies Act 2006 and the provisions applicable to companies entitled to the small companies' exemption.

This report was approved by the board of directors on 29 September 2022 and signed on its behalf by:

S M Colvin
Director
29 September 2022

Income statement
for the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Dividend income		-	60
Loss on investments	4	(162)	(6,368)
Operating loss		**(162)**	(6,308)
Administrative expenses		(4)	(10)
Loss from operations		**(166)**	(6,318)
Finance income	5	2,898	3,048
Profit/(loss) before tax		2,732	(3,270)
Tax	6	(550)	(579)
Profit/(loss) after tax		2,182	(3,849)

All results are derived from continuing operations.

There is no other comprehensive income or expense apart from that disclosed above and consequently a separate statement of comprehensive income has not been prepared.

Statement of Changes in Equity
for the year ended 31 December 2021

	Called up share capital	Share premium	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 January 2021	**47,137**	**32,509**	**74,322**	**153,968**
Profit after tax and total comprehensive income	**-**	**-**	**2,182**	**2,182**
Balance at 31 December 2021	**47,137**	**32,509**	**76,504**	**156,150**

	Called up share capital	Share premium	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 January 2020	47,137	32,509	78,171	157,817
Loss after tax and total comprehensive expense	-	-	(3,849)	(3,849)
Balance at 31 December 2020	47,137	32,509	74,322	153,968

Profit and loss account

The profit and loss account represents the accumulated profit or loss since the incorporation of the Company.

Balance Sheet
as at 31 December 2021

	Notes	2021	2020
		£'000	£'000
Fixed assets			
Investments	7	-	-
Current assets			
Debtors - due within one year	8	156,706	154,546
Cash at bank and in hand		2	4
		156,708	154,550
Creditors: amounts falling due within one year	9	(558)	(582)
Net current assets		156,150	153,968
Net assets		156,150	153,968
Capital and reserves			
Called up share capital	11	47,137	47,137
Share premium account		32,509	32,509
Profit and loss account		76,504	74,322
Shareholder's funds		156,150	153,968

For the year ended 31 December 2021, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements of John Laing Infrastructure Limited, registered number 04401816, were approved by the Board of Directors and authorised for issue on 29 September 2022. They were signed on its behalf by:

S M Colvin
Director
29 September 2022

Cash Flow Statement
for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Net cash inflow from operating activities	11	-	-
Investing activities			
Dividends received from joint ventures		-	60
Net cash from investing activities		-	60
Financing activities			
Loans to parent undertaking		(2)	(65)
Net cash used in financing activities		(2)	(65)
Net decrease in cash at bank and in hand		(2)	(5)
Cash at bank and in hand at beginning of the year		4	9
Cash at bank and in hand at end of the year		2	4

Notes to the financial statements for the year ended 31 December 2021

1 Accounting policies

a) Basis of preparation of financial statements

The financial statements have been prepared under the historic cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council ("FRC"). These financial statements are presented in pounds sterling, the functional currency and the currency of the primary economic environment in which the Company operates. The principle accounting policies of the Company are set out below.

The Company's financial statements are prepared on a going concern basis.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements.

The Company has taken advantage of the exemption under Section 400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of John Laing Investments Limited. The Company's results are included in the group accounts of John Laing Investments Limited, which are available from 1 Kingsway, London, WC2B 6AN.

b) Revenue recognition

Revenue recognition is determined by reference to the following policies:

- Dividend income from investments in project companies and other investments is recognised when the Company's right to receive payment has been established. Dividend income is recognised gross of withholding tax, if any, and only when approved and paid by the project company.
- Interest income is recognised when it is probable that the 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.

c) Investments

Fixed asset investments are shown at cost less provision for impairment.

An impairment is reversed in the current period, to the extent of the carrying value of the investment had the original impairment not occurred, if there is a change in economic conditions or a change in expected use of the investment. If the increase in value of the investment arises from mechanical factors affecting the discounted present value, such as the passage of time either bringing future cash inflows closer or overtaking future cash outflows, such an increase in value is not considered to be a reversal of the events or circumstances which led to the impairment in the first place.

d) Taxation

Current tax, including United Kingdom corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.
In accordance with section 29 of FRS 102: Deferred Tax, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.
A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are not discounted.

e) Foreign currency

Translations into sterling are made at the average rates ruling throughout the year for profit and loss account items. Exchange differences arising in the ordinary course of trading are reflected in the profit and loss account; those arising on translation of net equity are dealt with as a movement in reserves.
Monetary assets and liabilities expressed in foreign currency 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 retranslation of these amounts is taken to the profit and loss account.

Notes to the financial statements for the year ended 31 December 2021

2 Critical accounting judgement 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. These estimates and assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from estimates.

The critical accounting estimate in the preparation of the financial statements is impairment of investments. Impairment is assessed based on the valuation of the investment included within the portfolio valuation of the John Laing Investments Limited group.

3 Employee numbers

The Company had no employees during the current or prior year.

4 Loss on investments

	2021	2020
	£'000	£'000
Impairment of investment and loans	(162)	(4,851)
Loss on disposal of investment	-	(1,517)
	(162)	(6,368)

5 Finance income

	2021	2020
	£'000	£'000
Interest receivable on amounts due from parent undertakings	2,898	3,048
	2,898	3,048

6 Tax

The tax expense for the year comprises:

	2021	2020
	£'000	£'000
Current tax:		
UK corporation tax expense - current year	(550)	(579)
Total current tax	(550)	(579)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit/(loss) before tax are as follows:

	2021	2020
	£'000	£'000
Profit/(loss) before tax	2,732	(3,270)
Tax at the UK corporation tax rate of 19% (2020 - 19%)	(519)	621
Tax effect of dividend income not taxable	-	11
Tax effect of expenses and other similar items that are not deductible	-	(2)
Tax effect of loss on investments	(31)	(1,210)
Total tax expense for the year	(550)	(579)

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

Notes to the financial statements for the year ended 31 December 2021

7 Investments

	Subsidiary undertakings Equity	Total
	£'000	£'000
Cost		
At 1 January 2021	3,047	3,047
At 31 December 2021	**3,047**	**3,047**
Provisions for impairment		
At 1 January 2021	(3,047)	(3,047)
At 31 December 2021	**(3,047)**	**(3,047)**
Net book value		
At 31 December 2021	-	-
At 31 December 2020	-	-

8 Debtors

	2021	2020
	£'000	£'000
Due within one year		
Amounts owed from parent undertakings	141,703	139,381
Amounts owed from subsidiary undertakings	15,003	15,165
	156,706	154,546

Amounts owed from parent undertakings within one year are loans due from parent undertakings of £138,805,000 (2020: £136,333,000) and interest due on those loans of £2,898,000 (2020 - £3,048,000). These loans are repayable on demand and interest was charged at 2% above base rates (2020 - 2% above base rates).

Amounts owed from subsidiary undertakings, which comprise loans and accrued interest on the loans, are net of impairments. The loans are repayable in line with agreements with the undertakings and interest is charged at agreed arm's length interest rates.

9 Creditors

	2021	2020
	£'000	£'000
Amounts falling due within one year		
Corportation tax payable	(550)	(579)
Accruals and deferred income	(8)	(3)
	(558)	(582)

Notes to the financial statements for the year ended 31 December 2021

10 *Called up share capital*

	2021	2020
	£'000	£'000
Allotted, called up and fully paid:		
47,136,795 ordinary shares of £1.00 each	**47,137**	47,137

11 Net cash inflow from operating activities

	2021	2020
	£'000	£'000
Loss from operations	**(166)**	(6,318)
Adjustments for:		
Dividend income	-	(60)
Net loss on investment	**162**	6,368
Operating cash outflow before movements in working capital	**(4)**	(9)
Increase in creditors	**4**	9
Cash inflow from operations	-	-
Income taxes received / (paid)	-	-
Net cash inflow from operating activities	-	-

12 Transactions with related parties

As a wholly owned subsidiary of John Laing Investment Limited, the Company has taken advantage of the exemption under FRS 102 Section 33 not to provide information on related party transactions with other undertakings in the John Laing Investment Limited Group.

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

13 Ultimate parent undertaking

The Company's immediate parent undertaking is John Laing Investments Limited. John Laing Investments Limited is equally owned by Aqueduct Newco 2 Limited, a company incorporated in the United Kingdom, and Equitix Ether Bidco Limited, a company incorporated in Guernsey, and therefore there is no ultimate controlling party to the Company.

14 Events after the balance sheet date

Following the outbreak of the conflict in Ukraine, the Company 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 Company has not experienced any significant impact but will continue to monitor the situation as it develops.

The Company has seen increased short-term inflation in the period following the reporting date. There has been no significant impact on the Company's operations.

There have been no other significant events after the balance sheet date.