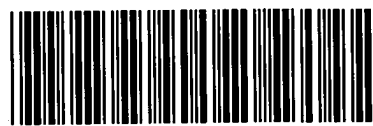


ONTARIO AIRPORTS INVESTMENTS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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ONTARIO AIRPORTS INVESTMENTS LIMITED

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ONTARIO AIRPORTS INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	James Alexander Adam William Dale Burgess Charles Thomazi
Company secretary	Alter Domus (UK) Limited (appointed 22 November 2022) David Mark Stanton (resigned 22 November 2022)
Registered number	07002858
Registered office	C/O Alter Domus (UK) Limited 10th Floor 30 St Mary Axe London EC3A 8BF
Independent auditors	Deloitte LLP 1 New Street Square London EC4A 3HQ

ONTARIO AIRPORTS INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and the audited financial statements of Ontario Airports Investments Limited (the "Company") for the year ended 31 December 2022. The directors report exemption has been taken to exclude certain disclosures in the Directors' report.

In accordance with Section 414 of the Companies Act 2006, the directors have not prepared a Strategic Report under the provisions of the small companies' exemption.

Principal activity

The principal activity of the Company is the provision of business services (such as investment analysis, due diligence and enquires relating to the airport industry) to group companies.

Results and dividends

The profit for the year, after taxation, amounted to £493,890 (2021: re-stated £156,679).

The results for the year are set out in the statement of comprehensive income on page 9 of these financial statements. The directors do not recommend a dividend for the year (2021: £nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were:

James Alexander Adam
William Dale Burgess
Charles Thomazi

Directors Indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in pages 9 to 23 of the financial statements.

The financial statements have been prepared using the going concern basis of accounting. The directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about the future trading performance. After making inquiries, the directors have a reasonable expectation the Company has adequate resources to continue in operational existence for at least 12 months from date of approval of the financial statements. Ontario Teachers' Pension Plan Board ("OTPPB" or the "ultimate parent") has agreed to bear the costs of or make contributions to capital amounts sufficient to pay for the Company's expenses for a period of at least 12 months after the end of the reporting period. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

As at year-end, the Company's net current assets amounted to £3,419,230 (2021: restated £2,913,520).

ONTARIO AIRPORTS INVESTMENTS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Going concern (continued)

The directors have also considered the use of going concern basis in the preparation of these financial statements in light of the current economic conditions and have concluded that this remains appropriate. Despite the adverse market conditions caused by the recent war in Ukraine, there is no significant doubt as to the ability for the Company to continue as a going concern because OTPPB shall bear the costs of or make capital contributions to pay for the Company's general expenses. The directors of the Company have assessed OTPPB's ability to provide funding with no concerns identified.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 to 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

ONTARIO AIRPORTS INVESTMENTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Post balance sheet events

There were no transactions after the balance sheet date requiring disclosure or adjustments to these financial statements.


Auditors

Deloitte LLP have expressed their willingness to continue in office as auditors and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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Charles Thomazi
Director
Date: 14/9/2023

ONTARIO AIRPORTS INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ONTARIO AIRPORTS INVESTMENTS LIMITED

Opinion

In our opinion the financial statements of Ontario Airports Investments Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

We are independent of the 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.

ONTARIO AIRPORTS INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ONTARIO AIRPORTS INVESTMENTS LIMITED (CONTINUED)

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 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.

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.

ONTARIO AIRPORTS INVESTMENTS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ONTARIO AIRPORTS INVESTMENTS
LIMITED (CONTINUED)**

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 and directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the Company 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 UK Companies Act, pensions legislation and tax legislation; and
- 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 the Bribery Act, employee laws and health, safety and environment matters.

We discussed among the audit engagement team 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 or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address it are described below:

- Risk of revenue being recorded in the wrong period due to timing of invoicing (including timing of expenses, as revenue is based on expenses). Our procedures included the following: We tested all invoices issued in the year to amounts received in the bank statement; Furthermore, we tested a sample of invoices issued subsequent to year end to ensure revenue is being recognised in the correct period; As the invoices are based on costs incurred, we selected a sample of costs incurred to underlying support. We also performed unrecorded liability testing to test for the completeness of costs incurred.

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.

ONTARIO AIRPORTS INVESTMENTS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ONTARIO AIRPORTS INVESTMENTS
LIMITED (CONTINUED)**

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 has 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

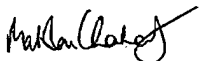
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

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.



Makhan Chahal ACA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date 15 September 2023

ONTARIO AIRPORTS INVESTMENTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

		2022	2021
	Note	£	As restated £
Revenue	3	4,952,642	3,704,899
Operative expenses		<u>(4,315,859)</u>	<u>(3,430,999)</u>
Operating profit		636,783	273,900
Interest payable and similar expenses	5	<u>(15,357)</u>	<u>(8,701)</u>
Profit before taxation		621,426	265,199
Tax expense	7	<u>(127,536)</u>	<u>(108,520)</u>
Profit for the financial year		<u>493,890</u>	<u>156,679</u>

All amounts relate to continuing operations. There is no other comprehensive expense or income other than those disclosed above and therefore a separate statement of comprehensive income is not presented.

The notes on pages 12 to 23 form part of these financial statements.

ONTARIO AIRPORTS INVESTMENTS LIMITED
REGISTERED NUMBER: 07002858

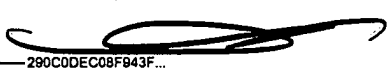
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

		2022			2021
	Note	£	£	£	As restated £
Fixed assets					
Tangible fixed assets	8		18,907		30,529
Current assets					
Debtors	9	7,264,696		5,421,658	
Cash at bank and in hand	10	<u>637,705</u>		<u>1,426,202</u>	
		<u>7,902,401</u>		<u>6,847,860</u>	
Creditors: amounts falling due within one year	11	<u>(4,483,171)</u>		<u>(3,934,340)</u>	
Net current assets			<u>3,419,230</u>		<u>2,913,520</u>
Total assets less current liabilities			<u>3,438,137</u>		<u>2,944,049</u>
Provision for liabilities			<u>(2,715)</u>		<u>(2,517)</u>
Net assets			<u>3,435,422</u>		<u>2,941,532</u>
Capital and reserves					
Called up share capital	13		20		20
Profit and loss account			<u>3,435,402</u>		<u>2,941,512</u>
			<u>3,435,422</u>		<u>2,941,532</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:


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Charles Thomazi

Director:

Date: 14/9/2023

The notes on pages 12 to 23 form part of these financial statements.

ONTARIO AIRPORTS INVESTMENTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	20	2,784,833	2,784,853
Total comprehensive income (restated)	-	156,679	156,679
At 31 December 2021 (restated)	20	2,941,512	2,941,532
Total comprehensive income	-	493,890	493,890
At 31 December 2022	20	3,435,402	3,435,422

The notes on pages 12 to 23 form part of these financial statements.

ONTARIO AIRPORTS INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Ontario Airports Investments Limited is a private company, limited by shares, incorporated and domiciled in England and Wales, registration number 07002858. The address of its registered office can be found on the Company information page.

The functional and presentational currency of the Company is Sterling pounds ("£"), and amounts are round to the nearest £.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows; and
- the requirements of Section 33 Related Party Disclosure paragraph 33.7.

2.2 Prior year adjustment

In 2021, the Company made an over provision on the service income and expenses on the LTIP/STIP bonus calculation. As a result, the comparatives in the financial statements have been restated as follows:

Statement of comprehensive income

	31 December 2021	Restatement	31 December 2021 (As restated)
	£	£	£
Turnover	6,479,950	(2,775,051)	3,704,899
Administrative expenses	3,801,082	(370,083)	3,430,999
Tax on profit	560,620	(452,100)	108,520
Total comprehensive income for the year	2,109,547	(1,952,868)	156,679

ONTARIO AIRPORTS INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.2 Prior year adjustment (continued)

Statement of financial position

	31 December 2021	Restatement	31 December 2021 (As restated)
	£	£	£
Debtors	8,196,709	(2,775,051)	5,421,658
Amount falling due within one year	4,756,523	(822,183)	3,934,340
Retained earnings	4,894,380	(1,952,868)	2,941,512

2.3 Going concern

The financial statements have been prepared using the going concern basis of accounting. The directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about the future trading performance. After making inquiries, the directors have a reasonable expectation the Company has adequate resources to continue in operational existence for at least 12 months from date of approval of the financial statements. Ontario Teachers' Pension Plan Board ("OTPPB" or the "ultimate parent") has agreed to bear the costs of or make contributions to capital amounts sufficient to pay for the Company's expenses for a period of at least 12 months after the end of the reporting period. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

As at year-end, the Company's net current assets amounted to £3,419,230 (2021: restated £2,913,520).

The directors have also considered the use of going concern basis in the preparation of these financial statements in light of the current economic conditions and have concluded that this remains appropriate. Despite the adverse market conditions caused by the recent war in Ukraine, there is no significant doubt as to the ability for the company to continue as a going concern because OTPPB shall bear the costs of or make capital contributions to pay for the Company's general expenses. The directors of the Company have assessed OTPPB's ability to provide funding with no concerns identified.

2.4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies which are described, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

ONTARIO AIRPORTS INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

Critical judgements in applying the accounting policies

No critical judgements have been applied in the accounting policies listed.

Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. There are no key sources of estimated uncertainties noted within the entity.

2.5 Turnover

The Company provides various services in relation to investments that its ultimate parent company, has made, or is considering making, including the following:

- Investment analysis and due diligence;
- Participating as a board member as requested by OTPPB;
- Providing analysis of board or management issues and summarising board meetings; and
- Enquiries related to the airport industry

Turnover represents amounts derived from the provision of services which fall within the Company's ordinary activities, exclusive of Value Added Tax and trade discounts. Turnover is recognised as services are provided.

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Tangible fixed assets are depreciated as follows:

- Fixtures and fittings - 5 years straight line
- Computer equipment - 5 years straight line

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual value, over the expected useful economic lives of the assets concerned. No depreciation is charged until assets are brought into use.

The carrying value of fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2.7 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of financial position when the Company becomes party to the contractual provisions of the instrument.

ONTARIO AIRPORTS INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.7 Financial instruments (continued)

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income Statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

ONTARIO AIRPORTS INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.8 Taxation (continued)

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

2.10 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

2.11 Pension costs and other post-retirement benefits

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to profit or loss in the period to which they relate.

ONTARIO AIRPORTS INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.12 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2.13 Debtors

Short-term debtors are measured at transaction price, less any impairment. All transactions are recognised on their transaction date through the statement of comprehensive income.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.15 Creditors

Short-term creditors are measured at the transaction price. All transactions are recognised on their transaction date through the statement of comprehensive income.

3. Revenue

Turnover, which is stated net of VAT, represents amounts invoiced to group companies. Turnover for the year is £4,952,642 (2021: £3,704,899).

4. Employees

The monthly average number of employees during the year was 6 (2021: 6).

No directors received any remuneration in the year (2021: £nil).

ONTARIO AIRPORTS INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Interest payable and similar expenses

	2022 £	2021 £
Interest on late payment of Corporation tax	<u>15,357</u>	<u>8,701</u>
	<u>15,357</u>	<u>8,701</u>

6. Profit before taxation

	2022 £	2021 £
Other operating leases	149,625	149,625
Depreciation - owned assets	11,622	12,997
Auditors' remuneration- audit of financial statements	10,000	7,350
Foreign exchange differences	<u>(886)</u>	<u>(32)</u>

No amount was payable to Deloitte LLP in respect of non-audit services (2021: £nil).

7. Taxation

The tax charge on the profit for the year was as follows:

	2022 £	2021 As restated £
Current tax:		
UK Corporation tax	127,337	110,712
Prior year adjustment	-	114
Total current tax	127,337	110,826
Deferred tax	<u>199</u>	<u>(2,306)</u>
Tax on profit	<u>127,536</u>	<u>108,520</u>

ONTARIO AIRPORTS INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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7. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 As restated £
Profit on ordinary activities before tax	<u>621,426</u>	<u>265,199</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	<u>118,071</u>	<u>50,388</u>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,190	3,212
Unpaid remuneration adjustments	6,210	57,275
Capital allowances for the year	(134)	(163)
Deferred tax	199	(2,306)
Adjustments to tax charge in respect of prior periods	<u>-</u>	<u>114</u>
Total tax charge for the year	<u>127,536</u>	<u>108,520</u>

Factors that may affect future tax charges

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing Covid-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

This rate increase has no effect on the tax charge for the year ended 31 December 2022.

ONTARIO AIRPORTS INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 January 2022	91,616	100,562	192,178
At 31 December 2022	91,616	100,562	192,178
Depreciation			
At 1 January 2022	62,594	99,055	161,649
Charge for the year	10,230	1,392	11,622
At 31 December 2022	72,824	100,447	173,271
Net book value			
At 31 December 2022	18,792	115	18,907
At 31 December 2021	29,022	1,507	30,529

9. Debtors

	2022 £	2021 As restated £
Trade debtors	-	6,226
Called up share capital not paid	18	18
Accrued income	6,818,643	5,321,721
Prepayments	121,272	93,693
Corporation tax receivable	324,763	-
	7,264,696	5,421,658

The accrued income relates to the unbilled service charge revenue due from group undertakings. This includes recharge of LTIP/STIP staff bonus scheme at a mark-up of 8.5% amounting to £4,048,905 (2021: restated £3,678,564).

ONTARIO AIRPORTS INVESTMENTS LIMITED

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10. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>637,705</u>	<u>1,426,202</u>
	<u>637,705</u>	<u>1,426,202</u>

11. Creditors: amount falling due within one year

	2022 £	2021 As restated £
Trade creditors	69,980	24,838
Corporation tax payable	-	110,712
Social security, pension, and other tax	109,898	350,028
Other creditors	-	1,577
Amount payable to OTTP	514,400	-
Accruals	<u>3,788,893</u>	<u>3,447,185</u>
	<u>4,483,171</u>	<u>3,934,340</u>

The accrual relates to the outstanding balance of the Unpaid LTIP/STIP staff bonus. This includes the LTIP/STIP payments amounting to £3,731,710 (2021: restated £3,390,382) and other accrued expenses for the reporting period.

12. Leasing agreements

Minimum lease payments under non-cancellable operating lease fall due as follows:

	2022 £	2021 £
Within one year	149,625	149,625
Between 1-5 years	598,500	598,500
Over 5 years	<u>40,276</u>	<u>189,901</u>
	<u>788,401</u>	<u>938,026</u>

On 28 August 2019, the Company entered into a short-term lease agreement with Aspect Capital Limited for the office at level 6 East, 10 Portman Square, London W1. The lease obligation is due to expire on 7 April 2028 but it is subject to a review on 15 May 2023.

ONTARIO AIRPORTS INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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13. Called up share capital

The rights and restrictions attaching to the Class A Ordinary shares are as follows:

- a) The holder(s) of Class A Ordinary shares shall be entitled to receive any dividends out of the profits of the Company available for distribution and resolved under the articles to be distributed;
- b) On a distribution of assets of the Company among its members on a winding up the holder(s) of the Class A Ordinary shares shall be entitled to receive the nominal value of such Class A Ordinary shares; and
- c) The holder(s) of Class A Ordinary shares shall be entitled to receive notice of and attend all general meetings of the Company, but shall not have the rights to vote on any resolutions of the members or by written resolution, except any proposal to:
 - a. Appoint any person to be a director to fill a vacancy or as an addition to the existing directors; or
 - b. Remove a director from office.

The rights and restrictions attaching to the Class B Ordinary shares are as follows:

- a) The holder(s) of Class B Ordinary shares shall be entitled to receive any dividends out of the profits of the Company available for distribution and resolved under the articles to be distributed;
- b) On a distribution of assets of the Company among its members on a winding up or other return of capital (other than a redemption or purchase by the Company of its own shares) the holder(s) of the Class B Ordinary shares shall be entitled to participate in the assets of the Company in accordance with Article 137; and
- c) The holder(s) of Class B Ordinary shares shall be entitled to receive notice of and attend all general meetings of the Company and to vote on all resolutions of the members or by written resolution, except any proposal to:
 - a. Appoint any person to be a director to fill a vacancy or as an addition to the existing directors; or
 - b. Remove a director from office.

14. Related party transactions

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned group companies.

15. Post balance sheet events

There were no transactions after the balance sheet date requiring disclosure or adjustments to these financial statements.

ONTARIO AIRPORTS INVESTMENTS LIMITED

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16. Controlling party

The immediate parent of the Company is 2289717 Ontario Limited, a Canadian limited company incorporated in the province of Ontario, having its registered address at 5650 Yonge Street, CDN-B-M2M 4H5, Canada.

Ontario Teachers' Pension Plan Board, a company domiciled in Canada, is regarded as the Company's ultimate parent company and is the smallest and largest group to consolidate the results of Ontario Airports Investments Limited. Its registered address is 5650 Yonge Street, Toronto, Ontario, M2M 4H5, Canada. The financial statements of Ontario Teachers' Pension Plan Board can be obtained from its website www.otpp.com.