

JOHN LAING INVESTMENTS OVERSEAS HOLDINGS LIMITED

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



Registered Number 07514287

JOHN LAING INVESTMENTS OVERSEAS HOLDINGS LIMITED

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

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JOHN LAING INVESTMENTS OVERSEAS HOLDINGS LIMITED

DIRECTORS AND ADVISORS

Directors

Stuart Colvin

Warren Lee

Registered office

1 Kingsway

London

United Kingdom

WC2B 6AN

Principal banker

Barclays Bank plc

1 Churchill Place

London

E14 5HP

JOHN LAING INVESTMENTS OVERSEAS HOLDINGS LIMITED

DIRECTORS' REPORT

The Directors present the Annual Report and the unaudited financial statements for John Laing Investments Overseas Holdings Limited (the "Company") for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is a holding company to a group (the "Group") whose principal activities are as an active investor in and manager of international infrastructure projects. The Directors are not aware at the date of this report of any major changes in the Company's activities in the coming year.

DIRECTORS

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

Stuart Colvin

Michael Dixon (resigned 29 October 2021)

Warren Lee (appointed 10 January 2022)

RESULTS AND DIVIDENDS

Profit before tax for the year ended 31 December 2021 was AUD\$96.9 million (2020 - AUD\$12.9 million). Net asset value at 31 December 2021 was AUD \$536.0 million (2020 - AUD\$685.1 million).

Dividends paid in the year amounted to AUD\$132.6 million (2020 - AUD\$6.2 million). The Directors do not recommend a final dividend for the year (2020 - AUD\$nil).

DIRECTORS' 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 of its parent undertakings that insure them against liability arising from negligence, breach of duty and breach of trust in relation to the Company.

EVENTS AFTER BALANCE SHEET DATE

For details of events after the balance sheet date, see note 13 of 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 7 October 2022 and signed on its behalf by:



Stuart Colvin
Director
7 October 2022

JOHN LAING INVESTMENTS OVERSEAS HOLDINGS LIMITED

Income statement

for the year ended 31 December 2021

	Notes	2021 AUD \$'000	2020 AUD \$'000
Interest receivable	4	1,510	1,519
Dividend income		139,703	25,469
Increase in impairment of fixed asset investments	6	(116,164)	(13,053)
Profit on disposal of investments		71,863	-
Operating income		96,912	13,935
Administrative expenses		(28)	(1,014)
Profit before taxation		96,884	12,921
Tax charge	5	(424)	(289)
Profit for the financial year		96,460	12,632

All results are derived from continuing operations.

All gains and losses are recognised in the Company income statement in the current and prior year, and therefore no statement of other comprehensive income has been presented.

JOHN LAING INVESTMENTS OVERSEAS HOLDINGS LIMITED

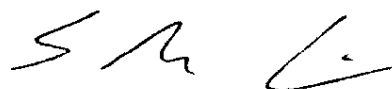
Balance Sheet

as at 31 December 2021

	Notes	2021 AUD \$'000	2020 AUD \$'000
Fixed assets			
Investments	6	456,532	613,117
Current assets			
Debtors - due within one year	7	74,680	73,266
Cash at bank and in hand		4,937	28
		<u>79,617</u>	<u>73,294</u>
Total assets		<u>536,149</u>	<u>686,411</u>
Current liabilities			
Creditors: amounts falling due within one year	8	(142)	(1,298)
		<u>(142)</u>	<u>(1,298)</u>
Net current assets		<u>79,475</u>	<u>71,996</u>
Net assets		<u>536,007</u>	<u>685,113</u>
Capital and reserves			
Called up share capital	9	460	560
Share premium account	9	533,964	646,870
Profit and loss account		1,583	37,683
Shareholder's funds		<u>536,007</u>	<u>685,113</u>

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 period 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 accounts.

The financial statements of John Laing Investments Overseas Holdings Limited, registered number 07514287, were approved by the Board of Directors and authorised for issue on 7 October 2022. They were signed on its behalf by:



Stuart Colvin
Director
7 October 2022

JOHN LAING INVESTMENTS OVERSEAS HOLDINGS LIMITED

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

	Called up share capital AUD \$'000	Share premium account AUD \$'000	Profit and loss account AUD \$'000	Total equity AUD \$'000
Balance at 1 January 2021	560	646,870	37,683	685,113
Profit and total comprehensive income for the year	-	-	96,460	96,460
Issue of shares	125	146,210	-	146,335
Share capital reductions	(225)	(259,116)	-	(259,341)
Dividends paid	-	-	(132,560)	(132,560)
Balance at 31 December 2021	460	533,964	1,583	536,007

	Called up share capital AUD \$'000	Share premium account AUD \$'000	Profit and loss account AUD \$'000	Total equity AUD \$'000
Balance at 1 January 2020	477	548,523	31,226	580,226
Profit and total comprehensive income for the year	-	-	12,632	12,632
Issue of shares	83	98,347	-	98,430
Dividends paid	-	-	(6,175)	(6,175)
Balance at 31 December 2020	560	646,870	37,683	685,113

JOHN LAING INVESTMENTS OVERSEAS HOLDINGS LIMITED

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

1 GENERAL INFORMATION

John Laing Investments Overseas Holdings Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office of the Company is given in the Directors and Advisors section on page 1. The Company is a holding company to a group (the "Group") whose principal activities are as an active investor in and manager of international infrastructure projects.

These financial statements are presented in Australian dollars, the functional currency and the currency of the primary economic environment in which the Company operates. All operations are located in Australia and partly held through a holding structure in the Netherlands.

The principal accounting policies adopted are set out below.

2 ACCOUNTING POLICIES

a) *Basis of preparation*

The financial statements have been prepared under the historic cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council ("FRC"). The comparative period results have been presented on the same basis.

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.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions. The company has taken advantage of these exemptions in its financial statements.

b) *Going concern*

The Group's principal activity is to hold investments in infrastructure projects. The infrastructure projects are set up as special purpose companies under non-recourse arrangements and therefore the Group and Company have limited exposure to their liabilities. In the event of default of an infrastructure project, the exposure is limited to the extent of the investment the Group or Company has made.

The Company has sufficient financial resources to meet its obligations as they fall due. Based on this, the Directors continue to adopt the going concern basis in preparing the financial statements for the year ended 31 December 2021.

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

2 ACCOUNTING POLICIES (continued)

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) 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.

e) Financial Instruments

Financial assets

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the Instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

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

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

2 ACCOUNTING POLICIES (continued)

e) *Financial instruments (continued)*

The financial assets that the Company holds are classified as loans and receivables and cash and cash equivalents:

- Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.
- Cash and cash equivalents comprises cash at bank and in hand.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that have occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised 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 to another entity.

Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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 through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

JOHN LAING INVESTMENTS OVERSEAS HOLDINGS LIMITED

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

2 ACCOUNTING POLICIES (continued)

f) *Taxation*

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 reporting end date.

g) *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.

3 CRITICAL ACCOUNTING JUDGMENTS 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 Company's investments that predominantly comprises investments in underlying projects that form part of the investment portfolio of John Laing Investments Limited, the Company's immediate parent undertaking. This portfolio is subject to a valuation by John Laing Investments Limited and the Directors had regard to this valuation and the critical accounting judgements and estimation uncertainties relevant to it as detailed in the financial statements of John Laing Investments Limited, available from Companies House.

JOHN LAING INVESTMENTS OVERSEAS HOLDINGS LIMITED

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

3 STAFF NUMBERS

The Company had no employees for the current or prior year. The Directors are employed by an entity associated with the Company's parent undertaking. There was no Directors' remuneration for the current or prior year.

4 INTEREST RECEIVABLE

	2021 AUD \$'000	2020 AUD \$'000
Interest receivable		
Interest receivable on loans due from parent company	1,510	1,519
	<u>1,510</u>	<u>1,519</u>

5 TAX EXPENSE

	2021 AUD \$'000	2020 AUD \$'000
<u>Analysis of tax expense</u>		
Current tax		
UK corporation tax expense - current year	(142)	(286)
UK corporation tax expense - prior year	-	(3)
Total current tax expense	<u>(142)</u>	<u>(289)</u>
 Foreign tax charges	 (282)	 -
Total tax expense for the year	<u>(424)</u>	<u>(289)</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit and the standard rate of tax as follows:

	2021 AUD \$'000	2020 AUD \$'000
Profit for the financial year	96,884	12,921
 Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	 (18,408)	 (2,455)
 Effects of:		
Dividend income not taxable	26,544	4,839
Non taxable movement on impairment on investments	(22,071)	(2,480)
Profit on disposal	13,654	-
Foreign tax charges	(282)	-
Tax losses not previously recognised	140	-
Other	-	(190)
Prior year adjustment	-	(3)
Total tax expense for the year	<u>(424)</u>	<u>(289)</u>

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

JOHN LAING INVESTMENTS OVERSEAS HOLDINGS LIMITED

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

6 INVESTMENTS

	2021	2020
	AUD \$'000	AUD \$'000
Cost		
At 1 January	626,170	528,009
Additions	292,266	151,944
Disposals	(120,655)	(53,783)
Capital reductions	(217,763)	-
At 31 December	580,018	626,170
Provisions for impairment		
At 1 January	(13,053)	-
Disposals	5,731	-
Charge for the year	(116,164)	(13,053)
At 31 December	(123,486)	(13,053)
Net book value		
At 31 December	456,532	613,117

During the year ended 31 December 2021, the Company acquired the entire interest in John Laing Investments (Grafton) Hold Co Pty Ltd, a company registered in Australia that holds the Group's interest in the Clarence Correctional Centre PPP project, from John Laing Investments (Grafton) BV for AUD\$259.1 million. The Company also invested a further AUD \$15.1 million in John Laing Netherlands Holdings BV, the Company's wholly-owned subsidiary undertaking and holding company for the Group's investments in Australia held through the Netherlands, in relation to the Group's cash investments into the East Rockingham waste project in Australia. The Company invested a further AUD\$18 million into the wholly-owned Finley Solar Holdings Pty Limited, the holding company for the Finley solar park in Australia.

During the year ended 31 December 2021, the Group completed the disposal of the interests in its Australia wind farm portfolio. As part of this, the Company sold its interests in: John Laing Investments (Hornsedale HoldCo) Pty Limited, the holding company for the Group's investments in the Hornsdale wind farms; John Laing Investments (Cherry Tree) Pty Limited, the holding company for the Group's investment in the Cherry Tree wind farm; and Kiata Wind Farm Holdings Pty Limited, the holding company for the Group's investment in the Kiata wind farm. John Laing Investments (Granville) BV, a subsidiary undertaking of John Laing Investments Netherlands Holdings BV, sold its interest in Palisade Granville Harbour Investments Pty Limited, the holding company of the Granville wind farm.

Following the disposals made by John Laing Netherlands Holdings BV and its subsidiary undertakings in the Netherlands of the Group's interest in the Granville wind farm, as described above, and the Group's interest in the New Royal Adelaide Hospital, as well as the transfer of John Laing Investments (Grafton) Hold Co Pty Ltd as described above, John Laing Netherlands Holdings BV made reductions of AUD\$217.8 million to its share capital from the Company in the year ended 31 December 2021.

As a result of the sale of the Company's interest in Kiata Wind Farm Holdings Pty Limited, as described above, there was a reversal of the impairment of AUD\$5.7 million made on that investment as at 31 December 2020. Following an impairment review of the Company's investments at 31 December 2021, further impairment charges of AUD\$116.2 million were made.

7 DEBTORS

	2021	2020
	AUD \$'000	AUD \$'000
Due within one year:		
Amounts owed by parent undertaking	74,680	72,666
Amounts owed by subsidiary undertakings	-	600
	74,680	73,266

Included in amounts owed by parent undertaking are loans to the Company's immediate parent undertaking predominantly denominated in Australian dollars of AUD \$73,162,000 (2020 - AUD \$71,147,000) and interest receivable on the loans of AUD \$1,518,000 (2020 - AUD \$1,519,000). The loans are repayable on demand and interest is charged at base rates prevailing in the market for each currency plus an appropriate margin.

Amounts owed by subsidiary undertakings at 31 December 2020 comprised an investment loan of AUD \$600,000 to John Laing Investments Netherlands Holdings B.V. with no rate of interest or date of repayment. This loan was repaid in 2021.

JOHN LAING INVESTMENTS OVERSEAS HOLDINGS LIMITED

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

8 CREDITORS

	2021 AUD \$'000	2020 AUD \$'000
Amounts falling due within one year		
Corporation tax payable	(142)	(286)
Other creditors	-	(1,012)
	<u>(142)</u>	<u>(1,298)</u>

9 CALLED UP SHARE CAPITAL

	2021 AUD \$'000	2020 AUD \$'000
Authorised, allotted, called up and fully paid:		
253,342 ordinary shares (2020 - 311,540) of GBP £1 each	<u>460</u>	<u>560</u>

	Number of ordinary shares of £1 each No.	Called up share capital AUD \$'000	Share premium AUD \$'000
Movement in shares			
At 1 January 2021	311,540	560	646,870
30 March 2021	(105,140)	(189)	(217,362)
3 June 2021	(19,900)	(36)	(41,754)
17 August 2021	8,100	15	17,985
5 October 2021	52,200	98	113,108
1 December 2021	6,542	12	15,117
At 31 December 2021	<u>253,342</u>	<u>460</u>	<u>533,964</u>

	Number of ordinary shares of £1 each No.	Called up share capital AUD \$'000	Share premium AUD \$'000
Movement in shares			
At 1 January 2020	264,795	477	548,523
22 June 2020	145	0	271
7 July 2020	36,100	64	76,095
7 December 2020	10,500	19	21,981
At 31 December 2020	<u>311,540</u>	<u>560</u>	<u>646,870</u>

JOHN LAING INVESTMENTS OVERSEAS HOLDINGS LIMITED

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

10 RELATED PARTY TRANSACTIONS

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 transactions with related parties other than those disclosed in the financial statements.

11 GUARANTEES AND OTHER COMMITMENTS

As at 31 December 2021, the Company had no guarantees or commitments (2020 - none).

12 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is John Laing Investments Limited. John Laing Investments Limited is jointly 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.

The smallest and largest group in which the Company's results are included is John Laing Investments Limited. Copies of the financial statements for John Laing Investments Limited are available from Companies House.

13 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.

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