

**JOHN LAING INVESTMENTS HOLDING LIMITED
(PREVIOUSLY KNOWN AS JOHN LAING FUNDING LIMITED)
ANNUAL REPORT
AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021**

Registered number: 07515823



JOHN LAING INVESTMENTS HOLDING LIMITED

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

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JOHN LAING INVESTMENTS HOLDING LIMITED

DIRECTORS AND ADVISERS

Directors	S M Colvin W Lee
Registered office	1 Kingsway London United Kingdom WC2B 6AN

DIRECTORS' REPORT

The Directors present their report and the unaudited financial statements for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The Company is a holding company to a group (the "Group") whose principal activities are as an originator, active investor in and manager of international infrastructure projects.

DIRECTORS

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

C Underwood	(appointed 4 August 2021, resigned 14 January 2022)
S M Colvin	
M C Dixon	(resigned 4 August 2021)
W Lee	(appointed 14 January 2022)

CHANGE OF NAME

On 9 August 2021, the Company changed its name from John Laing Funding Limited to John Laing Investments Holding Limited.

RESULTS AND DIVIDENDS

The results for the year are set out on page 3.

During the year, the Company did not pay a dividend (2020 - £nil). The Directors do not propose a final dividend for 2021 (2020 - £nil).

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Directors of the Company benefit from qualifying third party indemnity provisions provided by 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.

FUTURE DEVELOPMENTS

The Company will seek to benefit from further value growth and income from the investments in its portfolio opportunities as well as to capitalise on future opportunities for new investments in infrastructure assets.

EVENTS AFTER BALANCE SHEET DATE

For details of events after the balance sheet date see note 12 of the financial statements.

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

JOHN LAING INVESTMENTS HOLDING LIMITED

Income Statement

For the year ended 31 December 2021

	Notes	2021 £'000	2020 £'000
Interest income		345	-
Administrative expenses		(163)	-
Impairment of investments	7	(204)	-
Operating loss		(22)	-
Finance costs	5	(75)	-
Loss before tax		(97)	-
Taxation	6	(20)	-
Loss for the financial year		(117)	-

All results are derived from continuing operations.

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

JOHN LAING INVESTMENTS HOLDING LIMITED

Balance Sheet

As at 31 December 2021

	Notes	2021 £'000	2020 £'000
Non-current assets			
Investments	7	29,058	-
		<u>29,058</u>	<u>-</u>
Current assets			
Debtors - amounts falling due after more than one year	8	21,970	-
Cash at bank and in hand		3	-
		<u>21,973</u>	<u>-</u>
Total assets		<u>51,031</u>	<u>-</u>
Current liabilities			
Creditors - amounts falling due within one year	9	(16,956)	-
		<u>(16,956)</u>	<u>-</u>
Net assets		<u>34,075</u>	<u>-</u>
Capital and reserves			
Called up share capital	10	34	-
Share premium account		34,158	-
Profit and loss account		(117)	-
		<u>34,075</u>	<u>-</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 Holding Limited, registered number 07515823, 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

JOHN LAING INVESTMENTS HOLDING LIMITED

Statement of Changes in Equity

For the year ended 31 December 2021

	Called up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2021	-	-	-	-
Loss for the financial year	-	-	(117)	(117)
Total comprehensive expense for the year	-	-	(117)	(117)
Issue of shares	34	34,158	-	34,192
Balance at 31 December 2021	34	34,158	(117)	34,075

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2020 and 31 December 2020	-	-	-	-

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

1 Company information

John Laing Investments Holding Limited (the "Company") is a private company limited by shares, incorporated in United Kingdom under the Companies Act 2006 and registered in England and Wales. Its registered office is 1 Kingsway, London, United Kingdom, WC2B 6AN. The Company is a holding company to a group (the "Group") whose principal activities are as an originator, active investor in and manager of international infrastructure projects.

2 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are presented in pounds sterling, which is the functional currency of the Company.

The financial statements have been prepared under the historic cost convention.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions. The Company has taken advantage of these exemptions in 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 Limited. The Company's results are included in the group accounts of John Laing Limited, which are available from 1 Kingsway, London, WC2B 6AN.

The principal accounting policies adopted are set out below.

b) Going concern

The Company is one of seven guarantors on the John Laing group's £375 million banking facilities that were secured in March 2022 and therefore, in its going concern assessment for the Company, the Directors have had regard to the going concern assessment made for the John Laing group by the directors of John Laing Group Limited.

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 financial statements on the going concern basis. In arriving at their conclusion, the Directors took into account the financial resources available to the Group and to the Company from the John Laing group's banking facilities of £375 million committed until March 2025 that were secured in early March 2022.

The Company expects funding of new investments to come from the funds managed by KKR. However, in determining that the Company is a going concern, the Directors have assessed the Company's and the John Laing 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 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 Company 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 John Laing group's available financial resources mean that the Company and the John Laing group can continue to fund its fixed operating costs for at least a 12 month period. As well as delaying future investments, the Directors have also considered other mitigating actions that could be undertaken to maintain liquidity, including divestments, in order to preserve cash and liquidity.

In determining that the Company is a going concern, certain risks and uncertainties have been considered. This has been carried out by reviewing the various sensitivities on the John Laing 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 John Laing group's cash flow projections show that the John Laing 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 John Laing 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 John Laing group believes the risk of such a decline to be remote. After making this assessment, the Directors believe that the John Laing group is adequately placed to manage these risks.

From the Company's own position, whilst the Company had significant net assets as at 31 December 2021, it had net current liabilities as a result of loans payable to certain of its subsidiary undertakings and to its immediate parent undertaking that are repayable on demand. However, the Directors do not expect these loans to be repaid within the twelve months from the signing of these financial statements and they have received assurances from the directors of John Laing Limited that repayment of the loan will not be demanded until the Company is able to do so.

c) Revenue

The Company earns operating income from returns on its investment portfolio. Operating income is recognised by reference to the following policies:

Investment income

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

Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic

d) 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.

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

2 Accounting policies (continued)

e) Financial instruments

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

Financial assets

Financial assets are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the financial instrument.

Basic financial assets, which primarily include amounts due from fellow group undertakings, are initially measured at transaction price, including transaction costs, and subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, whereby the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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

(i) Loans and receivables

Debtors and other financial assets that have fixed or determinable payments and are not quoted on 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 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.

(ii) Assets at fair value through profit or loss

Financial assets at FVTPL comprise investments at FVTPL which include investments in project companies, investments in listed companies and other assets and liabilities of investment entity subsidiaries. Investments in project companies and in listed companies are designated upon initial recognition as financial assets at FVTPL. Subsequent to initial recognition, investments in project companies are measured on a combined basis at fair value using discounted cash flow methodology. Investments in listed investments are valued at the quoted market price at the end of the period.

The Directors consider that the carrying value of other assets and liabilities in investment entity subsidiaries held at FVTPL approximates to their fair value.

Changes in fair value are recognised within operating income in the income statement.

(iii) Cash at bank and in hand

Cash at bank and in hand comprises cash at bank and in hand and short term deposits with original maturities of three months or less.

Impairment of financial assets

Financial assets are assessed for indications of impairment at each reporting end date.

Financial assets are impaired when 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 the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constituted a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

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

2 Accounting policies (continued)

f) Cash Flow Statement

The Company has adopted the exemption from disclosing a statement of cash flows and the related notes in accordance with Section 1.11 of FRS 102. The equivalent disclosure is included in the group financial statements of the Company's parent undertaking, John Laing Limited.

g) Finance costs

Finance costs comprise of interest on loans payable to the parent and subsidiary undertakings and are recognised in the year in which they are incurred.

h) Taxation

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

Current tax

The tax currently payable or receivable 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 it further excludes items that are never taxable or deductible. The Company's liability or asset for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

i) Foreign currencies

Exchange differences arising in the ordinary course of trading are reflected in the income statement.

Income and expense items are translated at the average exchange rates for the period. 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 the retranslation of these amounts is taken to the income statement.

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.

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

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 judgments, estimates and assumptions about the carrying amounts of assets and liabilities. The key area of the financial statements where the Company is required to make material accounting estimates and judgements is in respect of the net book value of investments and recoverability of loans to subsidiary undertakings, fellow group undertakings and joint ventures.

Net book value of investments

The Company is required to test whether investments have suffered any impairment. The Directors make best estimates and judgements in determining the carrying value of investments. The Directors consider the fair value of the investments of those subsidiary undertakings in which the Company invests and the Company's direct investments into project companies when assessing the need for impairment. In considering the fair value of the Company's investments, the Directors have regard to the valuation of the John Laing group investment portfolio, that includes the Company's investments, that is performed by John Laing Group Limited for the purposes of its own group financial statements. Further details on the critical accounting judgements and key sources of estimation uncertainty with regards to the fair value of John Laing Group Limited's investments can be found in note 4 to the Group financial statements of John Laing Group Limited that can be obtained from Companies House.

Recoverability of loans

The Company determines the impairment necessary at each period end by reference to the net assets or the fair value of the entities that it has provided loans to. If the net assets or the fair value of those entities is lower than the amount at which the loan is held, the loan is impaired to the relevant net assets or fair value amount.

4 Staff numbers

The Company had no employees for the current period. The Directors are employed by an entity associated with the Company's parent undertakings. There was no Directors' remuneration for the current period.

5 Finance costs

	2021	2020
	£'000	£'000
Interest payable and similar expenses		
Interest payable on amounts due to group undertakings	(75)	-
Finance costs	<u>(75)</u>	<u>-</u>

6 Taxation

The tax for the year comprises:

	2021	2020
	£'000	£'000
Current tax:		
UK corporation tax expense - current period	-	-
Taxation	<u>-</u>	<u>-</u>

The tax for the year can be reconciled to the profit in the income statement as follows:

	2021	2020
	£'000	£'000
Loss before tax	(97)	-
Tax at the UK corporation tax rate of 19% (2020 - 19%)	18	-
Non-taxable movement on impairment of investments	(38)	-
Total tax for the year	<u>(20)</u>	<u>-</u>

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

JOHN LAING INVESTMENTS HOLDING LIMITED

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

7 Investments

	2021	2020
	£'000	£'000
Cost		
At 1 January	-	-
Additions	29,263	-
At 31 December	29,263	-
Provisions for impairment		
At 1 January	-	-
Charge for the year	(204)	-
At 31 December	(204)	-
Net book value		
At 31 December	29,058	-

The Directors believe that the carrying value of the investments is supported by the fair value of the subsidiaries.

The subsidiary undertakings of the company are:

Company Name	Ownership interest	Class of shares	Country of incorporation
John Laing Projects & Developments (Holdings) Limited	100%	Ordinary	United Kingdom
John Laing Buckthorn Wind Holdco Corp	100%	Ordinary	United States of America
Glasfaser Deutschland UK John Laing Holdings Limited	100%	Ordinary	United Kingdom
Gelregroen Holding BV	100%	Ordinary	Netherlands
John Laing Investments Holding Andes Limited	100%	Ordinary	United Kingdom
JL Olimpia Holdco Limited	100%	Ordinary	United Kingdom
John Laing Overseas Holdings Limited	100%	Ordinary	United Kingdom
John Laing Sepulveda Holdco Corp	100%	Ordinary	United States of America
John Laing Senior Living Holdco Limited	100%	Ordinary	Ordinary

8 Debtors

	2021	2020
	£'000	£'000
Amounts falling due after more than one year		
Amounts due from subsidiary undertakings	21,970	-
	21,970	-

Amounts due from subsidiary undertakings comprise loans repayable under agreed commercial terms and with interest charged at arms' length rates.

Most of the amounts due are expected to be received after more than one year

9 Creditors

	2021	2020
	£'000	£'000
Amounts falling due within one year		
Amounts due to parent undertakings	8,272	-
Amounts due to subsidiary undertakings	8,664	-
Current tax liabilities	20	-
	16,956	-

Amounts due to parent undertakings comprise a loan payable to the Company's immediate parent undertaking of £8,245,000 and interest payable on the loan of £27,000. The loans are repayable on demand and interest was charged on the loan at 2% above base rates.

Amounts due to subsidiary undertakings comprise loans payable of £8,623,000 and interest payable on the loans of £41,000. The loans are repayable on demand and interest was charged on the loan at 2% above base rates.

JOHN LAING INVESTMENTS HOLDING LIMITED

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

10 Share Capital

	2021	2020
	No.	No.
Authorised:		
Ordinary shares of £1 each	19,000,100	19,000,100
	2021	2020
	£'000	£'000
Allotted, called up and fully paid:		
34,300 ordinary shares of £1 each (2020 - 100 ordinary shares of £1 each)	34	-

	Number of ordinary shares of £1 each	Called up share capital £'000	Share premium £'000
Movement in shares	No.	£'000	£'000
At 1 January 2021	100	-	-
Shares issued during the year	34,200	34	34,158
At 31 December 2021	34,300	34	34,158

11 Ultimate parent undertaking

The Company's immediate parent company is John Laing Limited, a company incorporated in Great Britain and registered in England and Wales, same registered office as the Company. The smallest group in which its results are included is John Laing Limited. The largest group in which its results are consolidated is included is Aqueduct Bidco Limited. Copies the group for these entities accounts are available at Companies House.

The Company is ultimately owned by funds advised and managed by KKR & Co. Inc and there is no ultimate parent undertaking.

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.

12 Events after balance sheet date

In March 2022, the John Laing group secured £375 million of banking facilities for a minimum term of three years. Aqueduct Bidco Limited, the immediate parent company of John Laing Group Limited, is the principal entity on the facilities and the Company is one of seven guarantors.

Following the outbreak of the conflict in Ukraine, the John Laing 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 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 not been a significant impact on the Company's operations.