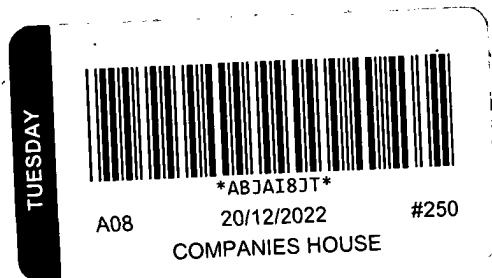


Registration number: 08164770

Infrastructure Investments (No 8) Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2022



Infrastructure Investments (No 8) Limited

Contents

Registered Number: 08164770

	Page Number
Company Information as at date of Directors' Report	1
Strategic Report	2 to 4
Directors' Report	5 to 6
Statement of Directors' Responsibilities	7
Independent Auditor's Report to the Members of Infrastructure Investments (No 8) Limited	8 to 11
Profit and Loss Account and Other Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Notes to the Financial Statements	16 to 25

Infrastructure Investments (No 8) Limited

Company Information as at date of Directors' Report

Directors H Price
 E T Hunt
 D J Jarmany

Company secretary E Mendes

Registered office Level 7
 One Bartholomew Close
 Barts Square
 London
 EC1A 7BL

Auditor KPMG LLP
 Chartered Accountants
 15 Canada Square
 London
 E14 5GL

Infrastructure Investments (No 8) Limited

Strategic Report for the Year Ended 31 March 2022

The Directors have prepared and present their strategic report for Infrastructure Investments (No 8) Limited (the "Company") for the year ended 31 March 2022.

Principal activity

The principal activity of the Company is that of an investment holding company. The Directors expect the Company to continue this activity in the foreseeable future. The results for the year and financial position of the Company are as shown in the attached financial statements.

Review of business and future developments

The Company has prepared financial statements for the year to 31 March 2022. The comparative period covers the year from 1 April 2020 to 31 March 2021. The Company's financial statements have been prepared in accordance with Financial Reporting Standard 102, *'The Financial Reporting Standard applicable in the UK and republic of Ireland'* ("FRS 102"), issued by the Financial Reporting Council ("FRC").

The Company made a profit before taxation of £(4,811) in the year ended 31 March 2022 (2021: £23,836 profit).

Going concern

The Company had net current liabilities of £17,512 as at 31 March 2022 (31 March 2021: £21,409) and generated a profit for the year of £(3,897) (2021: £19,307). The net current liability position was as a result of outstanding accrued interest owed to a related entity.

The Directors have assessed going concern by considering areas of financial risk, including the continuing impact upon the economy of Covid-19 and geopolitical tensions, and by reviewing cash flow forecasts covering a period of 21 months to 31 December 2023. They also considered the Company's financial resources, including investments in a project asset. The project operates a long-term contract with a public sector customer. The financing for this project is non-recourse to the Company.

The Company's direct parent, Infrastructure Investments Limited Partnership, has provided the Company with written confirmation that it does not intend to withdraw support, including the loan balance, and intends to support the Company to settle its liabilities as and when they fall due for at least 12 months from the approval of these financial statements. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, as at the date of the approval of these financial statements, they have no reason to believe that it will not do so.

Based on this analysis, the Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of approving these financial statements. Thus, they consider it appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

Infrastructure Investments (No 8) Limited

Strategic Report for the Year Ended 31 March 2022 (continued)

Risk management

Risk is managed on a group basis. The Group is defined as being the HICL Infrastructure PLC portfolio of companies and assets. This comprises identifying and evaluating the risks that the group faces and ensuring that appropriate controls and processes are in place to manage these risks. It also comprises responsibility for the oversight of the risk management process. An important part of the group risk management framework is to have documented policies and procedures in place.

The Directors of the Company are responsible for ensuring that the Company complies with the group's risk management framework. Assurance as to the effectiveness of and compliance with the risk management framework and internal controls is provided by the group's risk management functions. Further detail is included within Section 3.4 (see pages 52 - 62) of HICL's March 2022 Annual Report (available at www.hicl.com).

The Directors consider the risk management framework to be appropriate for a company of its size and complexity.

Financial risk management

The Company is subject to a number of financial risks throughout its business, primarily credit risk and liquidity risk.

Credit risk

Credit risk is the risk of financial loss if a counterparty fails to meet its obligations to repay outstanding amounts as they fall due. Credit risk arises principally from amounts owed to the Company from the companies it has interest in.

Appropriate credit checks are required to be made on all counterparties to the Company. The Company only deposits money with appropriately rated counterparties.

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its payment obligations as they fall due or can only do so at a significantly high cost. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due.

Inflation risk

The infrastructure project companies in which the Company invests are generally structured so that contractual income and costs are either wholly or partially linked to specific inflation where possible to minimise the risks of mismatch between income and costs due to movements in inflation indexes. The Company's overall cash flows vary with inflation, although they are not fully correlated as not all flows are indexed. The effects of inflation changes do not always immediately flow through to the Company's cash flows, particularly where a project's loanstock debt carries a fixed coupon and the inflation changes flow through by way of changes to dividends in future periods. As RPI is to be aligned with CPI from 2030, RPI linked project companies have been aligned to CPI from this date.

Infrastructure Investments (No 8) Limited

Strategic Report for the Year Ended 31 March 2022 (continued)

Key performance indicators

The key performance indicator for the Company is the net liabilities attributable to shareholders, which at 31 March 2022 were £17,512 (31 March 2021: £21,410).

14 December 2022

Approved by the Board on and signed on its behalf by:

Helen Price

H Price
Director

Level 7
One Bartholomew Close
Barts Square
London
EC1A 7BL

Infrastructure Investments (No 8) Limited

Directors' Report for the Year Ended 31 March 2022

The Directors present their report and the financial statements for the year ended 31 March 2022.

Directors of the Company

The directors who held office during the year were as follows:

H Price (appointed 16 March 2022)

K W Pickard (resigned 16 March 2022)

E T Hunt

D J Jarman (appointed 23 February 2022)

P T Robson (appointed 16 April 2021 and resigned 23 February 2022)

Y Su (resigned 16 April 2021)

The Articles of Association of the Company provide that in certain circumstances the Directors are entitled to be indemnified out of the assets of the Company against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the UK Companies Act 2006. Indemnity provisions of this nature have been in place during the financial year but have not been utilised by the Directors.

Streamlined Energy and Carbon Reporting ("SECR")

The Company does not meet the SECR requirements to disclose its energy and carbon information.

Results and dividends

The Company's profit for the year under review is as detailed in the profit and loss account shown on Page 14 of these accounts.

No dividends were paid on Ordinary shares in respect of the year ended 31 March 2022 (2021: £nil).

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2021: £nil).

Disclosure of information to the auditor

Each person who is a Director at the date of approval of this report confirms that so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and the Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 2 and 3.

Infrastructure Investments (No 8) Limited

Directors' Report for the Year Ended 31 March 2022 (continued)

Auditor

The auditor KPMG LLP is deemed to be reappointed under section 487(2) of the Companies Act 2006.

14 December 2022

Approved by the Board on and signed on its behalf by:

Helen Price

H Price
Director

Level 7
One Bartholomew Close
Barts Square
London
EC1A 7BL

Infrastructure Investments (No 8) Limited

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INFRASTRUCTURE INVESTMENTS (NO 8) LIMITED

1 Our opinion is unmodified

We have audited the financial statements of Infrastructure Investments (No 8) Limited ("the Company") for the year ended 31 March 2022 which comprise the Income Statement, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter, in arriving at our audit opinion above, together with our key audit procedures to address this matter and, as required for listed entities, our results from those procedures. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matters.

	The risk	Our responses
Valuation of the Company's investment in loan stock of a related party £12.2m (2021: £12.2m)	Recoverability The carrying amount of the company's investment in loan stock of a related undertaking represents 63% (2021: 67%) of the company's total assets. Its recoverability is not at a high risk of significant misstatement or subject to significant judgment. However, due to their materiality in the context of company's financial statements, this is considered to be the area that had the greatest effect on our overall audit.	Our procedures included: <ul style="list-style-type: none"> – Test of Detail: Comparing the carrying amount of 100% of investment in the loan stock to the fair value attributable to external market data to identify whether the carrying amount was in excess of the fair value. – Inquiry of management: Inquiring of management to identify whether there were any other indicators of impairment of the investment in the related undertaking. <p>Our results: We found the valuation of the investment in loan stock to be acceptable</p>

3 Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £181,000 (2021: £181,00 determined with reference to a benchmark of total assets, of which it represents 1% (2021: 1%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2021: 75%) of materiality for the financial statements as a whole, which equates to £135,500 (2021: £135,500). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk

We agreed to report to the Board of Directors any corrected or uncorrected identified misstatements exceeding £9,000 (2021: £9,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

4 Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

The risk that we considered most likely to affect the Company's available financial resources over this period was:

- Recoverability of the loan stock investments

We considered whether this risk could plausibly affect the liquidity in the going concern period by assessing the Directors' sensitivities over the level of available financial resources indicated by the Company's financial forecasts taking account of severe, but plausible adverse effects that could arise from this risk individually and collectively.

Our procedures also included:

- We critically assessed the directors' going concern assessment, including the reasonableness of the key assumptions used by the company in their cash flow forecasts.
- We challenged the directors in relation to the financial capacity and intent of the parent entities and the group it heads to provide financial support. This includes the inspection of the parent entities and latest available financial statements, as well as the work performed by the audit team in respect of the parent's financial statements to assess if the parent has the financial capacity to provide financial support.
- We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the Directors' assessment of going concern, including the identified risks and dependencies.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we found the going concern disclosure in note 1 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

5 Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included enquiring of directors and inspection of policy documentation as to the HICL Infrastructure Plc's policies and procedures to prevent and detect fraud that apply to this group company as well as enquiring whether the directors have knowledge of any actual, suspected or alleged fraud.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6 We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

7 We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you 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.

We have nothing to report in these respects.

8 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9 The purpose of our audit work and to whom we owe our responsibilities

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.



Ian Griffiths (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
16 December 2022

Infrastructure Investments (No 8) Limited**Profit and Loss Account and Other Comprehensive Income for the Year Ended 31 March 2022**

	Note	2022 £	2021 £
Administrative expenses		<u>(8,770)</u>	<u>(1,385)</u>
Operating loss		<u>(8,770)</u>	<u>(1,385)</u>
Interest receivable and similar income	3	1,766,364	1,654,379
Interest payable and similar charges	4	<u>(1,752,783)</u>	<u>(1,629,158)</u>
		<u>13,581</u>	<u>25,221</u>
Profit before tax		4,811	23,836
Taxation	7	<u>(914)</u>	<u>(4,529)</u>
Profit for the financial year		<u>3,897</u>	<u>19,307</u>

The above results were derived from continuing operations.

The Company has no other comprehensive income other than the results above.

Infrastructure Investments (No 8) Limited**(Registration number: 08164770)****Statement of Financial Position as at 31 March 2022**

	Note	2022 £	2021 £
Non-current assets			
Investments in loanstock	9	12,178,743	12,178,743
Current assets			
Debtors	10	7,069,882	5,929,431
Cash & cash equivalents		<u>37,346</u>	<u>21,162</u>
		7,107,228	5,950,593
Creditors: Amounts falling due within one year	11	<u>(7,124,740)</u>	<u>(5,972,002)</u>
Net current liabilities		<u>(17,512)</u>	<u>(21,409)</u>
Total assets less current liabilities		12,161,231	12,157,334
Creditors: Amounts falling due after more than one year	11	<u>(12,178,743)</u>	<u>(12,178,743)</u>
Net liabilities		<u>(17,512)</u>	<u>(21,409)</u>
Equity			
Called up share capital	13	1	1
Share premium reserve	13	10,008	10,008
Retained reserves		<u>(27,521)</u>	<u>(31,418)</u>
Total equity		<u>(17,512)</u>	<u>(21,409)</u>

14 December 2022

Approved and authorised by the Board on and signed on its behalf by:

Helen Price

H Price

Director

The notes on pages 16 to 25 form an integral part of these financial statements.

Infrastructure Investments (No 8) Limited**Statement of Changes in Equity for the Year Ended 31 March 2022**

	Share capital £	Share premium £	Retained reserves £	Total £
At 1 April 2021	1	10,008	(31,418)	(21,409)
Profit for the year	-	-	3,897	3,897
At 31 March 2022	<u>1</u>	<u>10,008</u>	<u>(27,521)</u>	<u>(17,512)</u>

	Share capital £	Share premium £	Retained reserves £	Total £
At 1 April 2020	1	10,008	(50,725)	(40,716)
Profit for the year	-	-	19,307	19,307
At 31 March 2021	<u>1</u>	<u>10,008</u>	<u>(31,418)</u>	<u>(21,409)</u>

The notes on pages 16 to 25 form an integral part of these financial statements.

Infrastructure Investments (No 8) Limited**Statement of Cash Flows for the Year Ended 31 March 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the year	3,897	19,307
Adjustments to cash flows		
Interest receivable and similar income	(1,766,364)	(1,654,379)
Interest payable and similar charges	1,752,783	1,629,158
Income tax (credit)/charge	914	4,529
Net cash flow from operating activities	<u>(8,770)</u>	<u>(1,385)</u>
Cash flows from investing activities		
Interest received	<u>625,000</u>	<u>-</u>
Net cash flows from investing activities	<u>625,000</u>	<u>-</u>
Cash flows from financing activities		
Interest paid	<u>(600,046)</u>	<u>(43)</u>
Net cash flows from financing activities	<u>(600,046)</u>	<u>(43)</u>
Net increase/(decrease) in cash and cash equivalents	16,184	(1,428)
Cash and cash equivalents at 1 April	<u>21,162</u>	<u>22,590</u>
Cash and cash equivalents at 31 March	<u><u>37,346</u></u>	<u><u>21,162</u></u>

The notes on pages 16 to 25 form an integral part of these financial statements.

Infrastructure Investments (No 8) Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

1 Accounting policies

1.1 Key accounting policies

General information

Infrastructure Investments (No 8) Limited is a private company incorporated, domiciled and registered in the UK. The registered number is 08164770 and the registered address is Level 7, One Bartholomew Close, Barts Square, London, EC1A 7BL.

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

The financial statements are prepared using the historical cost basis, except for financial instruments classified at fair value through profit or loss which are stated at their fair values.

The functional and presentational currency of these financial statements is sterling.

The preparation of these financial statements requires the Directors to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. 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 year or the period of the revision and future periods if the revision affects both current and future periods. Note 1.2 Critical accounting judgements, estimates and assumptions, shows which have been applied in the preparation of these financial statements.

The Company is exempt by virtue of FRS 102 section 9.9 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company invests in subordinated debt loanstock which is measured and held at amortised cost. This is assessed against fair value at HICL Infrastructure PLC level if impairment is needed.

The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Infrastructure Investments (No 8) Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

1 Accounting policies (continued)

Going concern

The financial position of the Company, as well as its business activities and factors likely to affect its future development and position, are described in the Strategic Report on pages 2 to 3. The Company had net current liabilities of £17,512 as at 31 March 2022 (31 March 2021: £21,409) and generated a profit for the year of £(3,897) (2021: £19,307). The net current liability position was as a result of outstanding accrued interest owed to a related entity.

The Directors have assessed going concern by considering areas of financial risk, including the continuing impact upon the economy of Covid-19 and geopolitical tensions, and by reviewing cash flow forecasts covering a period of 21 months to 31 December 2023. They also considered the Company's financial resources, including investments in a project asset. The project operates a long-term contract with a public sector customer. The financing for this project is non-recourse to the Company.

The Company's direct parent, Infrastructure Investments Limited Partnership, has provided the Company with written confirmation that it does not intend to withdraw support, including the loan balance, and intends to support the Company to settle its liabilities as and when they fall due for at least 12 months from the approval of these financial statements. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, as at the date of the approval of these financial statements, they have no reason to believe that it will not do so.

Based on this analysis, the Directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of approving these financial statements. Thus, they consider it appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial assets and liabilities

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Infrastructure Investments (No 8) Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

1 Accounting policies (continued)

Financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Interest-bearing receivables classified as basic financial instruments

Interest-bearing receivables are recognised initially at the present value of future receipts discounted at a market rate of interest. Subsequent to initial recognition, interest bearing loans are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in ordinary shares

Investments in equity instruments are measured initially at fair value with changes recognised in profit and loss. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss.

Investment in loanstock

The Company invests in subordinated debt loanstock which is measured and held at amortised cost. This is assessed against fair value at HICL Infrastructure PLC level if impairment is needed.

Financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the profit and loss account. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits held at call with banks and other short term, highly liquid investments with original maturities of three months or less.

Infrastructure Investments (No 8) Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

1 Accounting policies (continued)

Investment income

Dividends are recognised when the Company's right to receive payment has been established.

Interest receivable and interest payable

Interest income and interest payable is recognised in the profit and loss account as it accrues on a time-apportioned basis, using the effective interest rate of the instrument concerned as calculated on acquisition or origination date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Income tax

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

Current tax is based on the 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. Tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

1.2 Critical accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described in Note 1.1, the Directors are required to make judgements, 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.

2 Auditor's remuneration

The auditor's remuneration for the current financial year is estimated at £13,752 and has been borne by a group undertaking (2021: £13,097).

Infrastructure Investments (No 8) Limited**Notes to the Financial Statements for the Year Ended 31 March 2022
(continued)****3 Other interest receivable and similar income**

	2022 £	2021 £
Interest receivable from investments	<u>1,766,364</u>	<u>1,654,379</u>

4 Interest payable and similar expenses

	2022 £	2021 £
Interest payable on loan from related parties	1,752,737	1,629,116
Bank charges	<u>46</u>	<u>42</u>
	<u>1,752,783</u>	<u>1,629,158</u>

5 Directors' remuneration

The Directors' services to the Company are incidental in the context of their wider role within the group and whilst they are remunerated by other companies in the group they do not receive any remuneration specifically in relation to their qualifying services to the Company. As such, there are no directors' emoluments for the year ended 31 March 2022 (2021: £nil).

6 Employees

The Company had no employees during the financial year (2021: nil).

7 Taxation

Tax charged in the profit and loss account:

	2022 £	2021 £
Current taxation		
UK corporation tax	<u>914</u>	<u>4,529</u>

The tax on profit before tax for the year is the same as (2021: same as) the standard rate of corporation tax in the UK of 19% (2021: 19%)

	2022 £	2021 £
Profit before tax	<u>4,811</u>	<u>23,836</u>
Corporation tax at standard rate	<u>914</u>	<u>4,529</u>
Total tax charge	<u>914</u>	<u>4,529</u>

Infrastructure Investments (No 8) Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

7 Taxation (continued)

Factors affecting current and future tax charges

An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. This will have a consequential effect on the Company's future tax charge.

8. Financial risk management

Risk management

The objective of the Company's financial risk management is to manage and control the risk exposures of its investments. The review and management of financial risks are delegated to InfraRed Capital Partners Limited, the appointed Operator of the Company's parent entity, Infrastructure Investments Limited Partnership. The Operator has documented procedures designed to identify, monitor and manage the financial risks to which the Company is exposed. This note presents information about the Company's exposure to financial risks, its objectives, policies and processes for managing risk and the Company's management of its financial resources.

Interest rate risk

The Company invests in subordinated loanstock of project companies, usually with fixed interest rate coupons. Where floating rate debt is owned the primary risk is that the Company's cash flows will be subject to variation depending upon changes to base interest rates. The Investments' cash flows are continually monitored and reforecasted both over the near future (five year time horizon) and the long-term (over whole period of projects' concessions) to analyse the cash flow returns from investment(s).

Senior debt financing of project companies is generally either through floating rate debt, fixed rate bonds or index linked bonds. Where senior debt is floating rate, the projects typically have concession length hedging arrangements in place, which are monitored by the project companies' managers, finance parties and boards of Directors. Floating rate debt is hedged using fixed floating interest rate swaps.

Inflation risk

The Company's project companies are generally structured so that contractual income and costs are either wholly or partially linked to specific inflation where possible to minimise the risks of mismatch between income and costs due to movements in inflation indexes. The Company's overall cashflows vary with inflation, although they are not directly correlated as not all flows are indexed. The effects of these inflation changes do not always immediately flow through to the Company's cashflows, particularly where a project's loanstock debt carries a fixed coupon and the inflation changes flow through by way of changes to dividends in future periods.

Market risk

Returns from the Company's investments are affected by the price at which they are acquired. The value of these investments will be a function of the discounted value of their expected future cash flows, and as such will vary with, inter alia, movements in interest rates, market prices and the competition for such assets.

Infrastructure Investments (No 8) Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

Currency risk

The projects in which the Company invests, all conduct their business in the United Kingdom and pay loan interest, loan principal, dividends and fees in sterling.

Credit risk

Credit risk is the risk that a counterparty of the Company will be unable or unwilling to meet a commitment that it has entered into with the Company.

The Company's key direct counterparties are the project companies in which it makes investments. The Company's near term cash flow forecasts are used to monitor the timing of cash receipts from project counterparties. Underlying the cash flow forecast are project Company cash flow models, which are regularly updated by project companies, for the purposes of demonstrating the projects' ability to pay interest and dividends based on a set of detailed assumptions. Many of the Company's investment and subsidiary entities generally receive revenue from government departments, and public sector or local authority clients. Therefore a significant portion of the Company's investments' revenue is with counterparties of good financial standing.

The Company is also reliant on the project's subcontractors continuing to perform its service delivery obligations such that revenues to the project are not disrupted. Management of this risk is undertaken by the Operator of Infrastructure Investments Limited Partnership, being InfraRed Capital Partners ("IRCP"). IRCP has been appointed as the Operator of the Company by the General Partner, Infrastructure Investments General Partner Limited, a sister subsidiary of IRCP. The credit standing of subcontractors is reviewed, and the risk of default estimated for each significant counterparty position. Monitoring is on-going, and period end positions are reported to the General Partner.

The Company is subject to credit risk on its loans, receivables, cash and deposits. The Company's cash and deposits are held with a variety of well-known banks. The credit quality of loans and receivables within the investment portfolio is based on the financial performance of the individual portfolio companies. For those assets that are not past due, it is believed that the risk of default is small and capital repayments and interest payments will be made in accordance with the agreed terms and conditions of the investment. Fair value adjustments, or "loan impairments", are made when the net present value of the future cash flows predicted to arise from the asset, discounted using the effective interest rate method, implies non-recovery of all or part of the Company's loan investment. In these cases a loan impairment is recorded equal to the valuation shortfall.

The Company's maximum exposure to credit risk over financial assets is the carrying value of those assets in the balance sheet. The Company does not hold any collateral as security.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as these fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient financial resources and liquidity to meet its liabilities when due. The Company ensures it maintains adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company's investments are predominantly funded by share capital and medium term debt funding.

The Company's investments are generally in private companies in which there is no listed market and therefore such investment would take time to realise and there is no assurance that the valuations placed on the investments would be achieved from any such sale process.

Infrastructure Investments (No 8) Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

The Company's investments have borrowings which rank senior to the Company's own investments into the companies. This senior debt is structured such that, under normal operating conditions, it will be repaid within the expected life of the projects. Debt raised by the investment companies from third parties is without recourse to the Company.

Classification of financial instruments

	2022 £	2021 £
Financial assets		
At amortised cost:		
Investments in loanstock	12,178,743	12,178,743
Cash and cash equivalents	37,346	21,162
Debtors	7,069,882	5,929,431
Financial assets at amortised cost	<u>19,285,971</u>	<u>18,129,336</u>
Financial liabilities		
At amortised cost:		
Loans and borrowings	19,303,483	18,150,745
Financial liabilities at amortised cost	<u>19,303,483</u>	<u>18,150,745</u>

9 Investments in loanstock

	2022 £	2021 £
Brought forward	<u>12,178,743</u>	<u>12,178,743</u>
Carrying amount at year end	<u>12,178,743</u>	<u>12,178,743</u>

The £12,178,743 relates to fixed rate unsecured loan notes held at 10.20% per annum due to mature in 2060. The Directors have reviewed the recoverability of this loan and determined that it is recoverable.

10 Debtors

	2022 £	2021 £
Group relief receivable	13,244	14,158
Accrued interest receivable	7,056,638	5,915,273
	<u>7,069,882</u>	<u>5,929,431</u>

Infrastructure Investments (No 8) Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

11 Creditors

	2022 £	2021 £
Due within one year		
Accrued interest owed to related party	<u>7,124,740</u>	<u>5,972,002</u>
Due after one year		
Amounts due to related parties	<u>12,178,743</u>	<u>12,178,743</u>

The £12,178,743 relates to fixed rate unsecured loan notes listed on The International Stock Exchange in Guernsey at 10.075% per annum, held by Infrastructure Investments Limited Partnership and to mature in 2060.

12 Net debt

The below is an analysis of changes in net debt of the Group from the beginning to the end of the current reporting period:

Group	Borrowings due within one year £	Borrowings due after one year £	Subtotal £	Cash and cash equivalents £	Net debt £
Net debt analysis					
Balance at 1 April 2021	(5,972,002)	(12,178,743)	(18,150,745)	21,162	(18,129,583)
Cash flows	600,000	-	600,000	16,184	616,184
Other non-cash changes	(1,752,737)	-	(1,752,737)	-	(1,752,737)
Recognition of changes in market value and effect of movements in foreign exchange	-	-	-	-	-
Balance at 31 March 2022	<u>(7,124,739)</u>	<u>(12,178,743)</u>	<u>(19,303,482)</u>	<u>37,346</u>	<u>(19,266,136)</u>

Infrastructure Investments (No 8) Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

13 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Share capital of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meetings of the Company.

14 Related parties

The Operator of the Company is InfraRed Capital Partners Limited ("IRCP"). IRCP has been appointed as the Operator of the Company by the General Partner, Infrastructure Investments General Partner Limited, a sister subsidiary of IRCP. IRCP is responsible for the day-to-day operations of Infrastructure Investments (No 8) Limited.

InfraRed is 80% owned by Sun Life Financial Inc. (together with its subsidiaries and joint ventures, "Sun Life"). InfraRed is a distinct business under SLC Management, the alternatives asset manager of Sun Life. The additional 20% may be acquired by Sun Life under a put and call framework agreed with the InfraRed owners, exercisable after four and five years respectively.

InfraRed was appointed under an Investment Management Agreement, dated 4 March 2019, as Investment Manager to, and the AIFM of HICL. The Investment Management Agreement may be terminated by either party to the agreement, being HICL or InfraRed, giving three years' written notice or if InfraRed's appointment as Operator is terminated.

15 Parent and ultimate parent undertaking

The Company's immediate parent is Infrastructure Investments Limited Partnership, incorporated in England and Wales.

The ultimate controlling party is HICL Infrastructure PLC, incorporated in England and Wales.

The financial statements of HICL Infrastructure PLC are available to the public and may be obtained from Companies House.