

Registration number: 08276959

# BUUK Infrastructure Issuer Plc

Annual Report and Financial Statements

for the Year Ended 31 December 2023



## **BUUK Infrastructure Issuer Plc**

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## **BUUK Infrastructure Issuer Plc**

### **Company Information**

<b>Directors</b>	C Linsdell P Sim G Montesi R Brett C Miller
<b>Company secretary</b>	P Sim
<b>Registered office</b>	Synergy House Woolpit Business Park Woolpit Bury St Edmunds Suffolk IP30 9UP
<b>Auditors</b>	Deloitte LLP Statutory Auditor Cambridge United Kingdom

## **BUUK Infrastructure Issuer Plc**

### **Strategic Report for the Year Ended 31 December 2023**

The Directors present their Strategic Report, annual report and audited financial statements for the year ended 31 December 2023. The Directors, in preparing this Strategic Report, have complied with s414c of the Companies Act, 2006.

#### **Principal activity**

The principal activity of the Company is the issue of Group debt within the BUUK Infrastructure ('BUUK') Group ('the Group').

#### **Fair review of the business**

The profit for the year, after taxation, amounted to £829,244 (2022: profit of £611,253).

At the year-end the Company had net assets of £4,561,626 (2022: net assets of £3,345,576). During the year, cash flow hedges associated with the 2013 USD Senior notes were settled and as such has a fair value of nil at the year end (2022: net liability of £386,606).

The Company has £2,085m of long-term Senior Notes issued in 2013, 2014, 2015, 2016, 2018, 2020 and 2023. In July 2022 the Group issued £350m of long-term Senior Notes, for which funding was received in April 2023, the group issued a further £350m of long-term Senior Notes in November 2023, for which £250m of funding was received in November 2023 and the remaining £100m will be received in April 2024.

The Company operates as part of the BUUK Infrastructure Group ('BUUK', the 'Group') and the Directors of the Group do not consider individual entities in the Group to have individual key performance indicators (KPIs). The Group's results are considered as a whole, and details of the performance can be found in the consolidated group financial statements prepared by the Directors of BUUK Infrastructure No 2 Limited.

#### **Principal risks and uncertainties**

The Company is part of the BUUK Infrastructure Group, owned by BUUK Infrastructure (Jersey) Limited. The principal risks and uncertainties facing the Group and the entity are:

##### *Regulatory*

The Group operates in stable and transparent regulated utility markets in the UK. In 2023, the UK government introduced the Energy Act 2023, naming OFGEM the future regulator for heat networks across England, Scotland and Wales, as part of the plan to expand Great Britain's network of low carbon heating. When heat networks regulations came into force, all heat networks will need to be authorised to be able to supply heat to their network. It has been determined that the new regulations will have no negative impact on the Group's future business prospects.

The Group is not aware of any other undisclosed proposed changes impacting the existing regulatory frameworks in which it operates. Any such change could have either a positive or negative impact on our future business prospects. The Group has carried on investing in both regulated and non-regulated markets, diversifying its regulatory risk.

##### *Health, Safety and Environmental*

The Group operates a comprehensive Health, Safety and Environmental framework to ensure that, as far as possible, it eliminates risk to its employees, customers, members of the public and the environment. The Group has an excellent track record in this regard and has culturally aligned itself to continually improve its performance in this area.

## **BUUK Infrastructure Issuer Plc**

### **Strategic Report for the Year Ended 31 December 2023 (continued)**

#### *Climate Change*

The Group has considered the principal risks associated with climate change, which have been set out alongside the Group's response within the 'Climate related Financial Disclosure' section of the Strategic Report.

Financial Risk is managed by:

#### *Liquidity and Interest Rates*

The Group has a policy of seeking to have a number of sources of funds and financial instruments at any given time to meet its liquidity needs, as well as maintaining a balanced maturity profile to minimise, as far as possible, peaked repayments and refinancing risk. Debt facilities are arranged with appropriate financial and operating covenants, ensuring that management has the necessary flexibility in the operation of its business.

The majority of the Group's existing debt has an unexpired term exceeding 8 years and is subject to a fixed interest rate.

#### *Credit risk*

Whilst the Group is dependent on a number of large customers, the credit risk from the failure of those customers is limited by regulatory regimes. The Group takes appropriate measures to reduce credit risk to a manageable level and has strict procedures to manage credit risk relating to trade receivables.

## **BUUK Infrastructure Issuer Plc**

### **Strategic Report for the Year Ended 31 December 2023 (continued)**

#### **Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the UK Companies Act 2006**

In complying with their duty to promote the success of the Company for the benefit of its members, whilst having regard to the matters set out in s172(1) (a-f) of the Companies Act 2006, the Board of Directors considers that the success of the Company is best promoted through the promotion of the success of the BUUK Infrastructure Group as a whole. The Company is governed and managed as an integral part of the BUUK Infrastructure Group and follows common groupwide policies and procedures. The following disclosures describe how the Company's Board of Directors has had regard to the matters set out in section 172(1) (a-f) in respect of the Group's stakeholders and forms the Directors' Statement required under Section 414CZA of the Companies Act 2006. While the Board of Directors have determined that certain of the matters disclosed in this statement may not be applicable for this Company specifically, they have included discussion of the Group's full policies and procedures to reflect the integrated approach taken to governance across the BUUK Infrastructure Group and therefore the matters considered by the directors of this Company in complying with their duties as directors of the Company.

The Board of Directors are presented with and review a wide range of papers relating to different stakeholders. The papers are discussed at Board meetings and form the basis by which policies and actions of the business are developed and, through this process, the Board have identified the key stakeholders. The Board consider that, both individually and together, they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole in the decisions taken during the year and, in doing so, have had regard to the stakeholders and matters set out in s172(1) (a-f) of the Companies Act 2006.

The Board of Directors' intention is to behave responsibly and to ensure that management operate the business in a responsible manner to maintain a reputation for high standards of business conduct. The Board of Directors also recognise the importance of behaving fairly between the members of the company.

The Board of Directors aims to create a balance between the development of opportunities with our customers, stimulating and rewarding our staff, working with and supporting our local communities, sustaining the environment in which we operate, interact with and comply with policies of the relevant regulators and engage in positive relationships with lenders.

#### *Engagement with Employees*

We aim to create, develop and retain highly motivated people and teams who are equipped with the necessary competencies and skills to perform highly and who demonstrate our core values.

We support and engage with our people in a range of ways:

#### *Stimulating positive and responsive communication*

- Company news is always available to employees through the Company's intranet
- Conduct quarterly cascade team briefings to keep employees appraised of business performance and industry changes followed by Q&A opportunities
- Regularly circulate internal magazines and articles
- Provide a platform where employees can post ideas or questions for the attention of the business
- Conduct annual face to face Directors presentations to encourage two-way communication
- Continued use of E-cards to celebrate colleagues' successes, based on living our company values.

## **BUUK Infrastructure Issuer Plc**

### **Strategic Report for the Year Ended 31 December 2023 (continued)**

#### **Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the UK Companies Act 2006 (continued)**

Our ongoing commitment to the Great Place to Work® scheme also ensures we remain focused on the business benefits of high employee engagement, resulting in our business being an employer of choice for both existing and new colleagues.

Engagement is measured by a yearly employee survey and Culture Audit. The feedback we receive from employees is where we focus our attention to improve working practices for our colleagues. BUUK have ranked as one of the UK's Best Workplaces™ for six consecutive years, in three consecutive years have ranked in the UK's Best Workplaces™ for Women, and in two consecutive years have ranked in the UK's Best Workplaces™ top 10 Super Large organisations for Wellbeing.

As a result of listening to our employees we have implemented the following initiatives:

- Enhanced Maternity, Paternity and Adoption Leave
- Dedicated Wellbeing Programme
- Volunteering Programme - Providing leave for colleagues to help with the local community or charities
- Science, Technology, Engineering & Maths (STEM) Programme - building bridges between education and employment
- Increased employee recognition for outstanding work linked to our company values
- Discounted FitBits to encourage colleagues to be more active
- Aspiring Managers Programme
- Leadership & Management Programme
- Health MOTs
- Armed Forces Community Network
- Refreshed company values, focusing on wellbeing and key areas for our employees and stakeholders

The feedback loop created by the communication has led to the development and enhancement of policies which enhance the working environment and benefits employees receive.

#### *Supporting appropriate learning and development opportunities*

- Offer a dual utility engineering apprenticeship scheme
- Offer a Graduate Development Programme
- Offer an Apprenticeship Scheme for IT, Design and Fibre
- Continual conversations encouraged between managers and team members
- Annual process to identify training needs backed by investment in development for staff

## BUUK Infrastructure Issuer Plc

### Strategic Report for the Year Ended 31 December 2023 (continued)

Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the UK Companies Act 2006 (continued)

#### *Supporting our staff to realise their full potential*

- Offer a flexible employee benefits scheme
- Employee assistance programmes including stress counselling and medical information services
- Dedicated Health and Wellbeing Committee established
- Offer regular employee social events
- Maintaining a safe, healthy and sustainable working environment for our staff, those we work for and for the general public
- Work Safe, Home Safe platform for staff to commit to building a positive safety culture irrespective of role or responsibility
- Opportunities to work with the onHand charity partner to undertake volunteering opportunities during work time.

#### *Equal opportunities*

A fair and equal opportunities culture is operated throughout the Group. Employment opportunities, whether in the recruitment, training or promotion of employees, are granted on merit irrespective of race, colour, religion, national origin, age, gender, disability or sexual orientation.

Full consideration and equal opportunities are given to employment applications from disabled persons with due regard to the requirements of the job. Where existing employees become disabled every effort is made to provide opportunities for continued employment within the Group supported with training and development as appropriate.

#### *Business Relationships*

We recognise the importance of engaging with the Group's suppliers and customers and fostering relationships with them.

#### *Customers*

Customer Experience and our core value of Being a Customer Champion is at the centre of everything that BUUK does. In 2023, customer journey focus groups were set up to monitor, review and seek to improve customer journeys where necessary. There are two key metrics that are monitored across the Group: Customer Effort Score (CES) and Net Promoter Score (NPS). Surveys target customer touch points across all customer journeys, enabling us to identify specific areas where there is increased effort for customers, so that targeted improvement can be made.

Customer feedback is reviewed by Senior Management continuously and disseminated to all journey owners in various formats. Key effort areas for our customers that have been identified during 2023 have been: material delivery, collection of excess materials and retail billing. Improvement plans are in place and the success of these will be monitored back through our surveys, as a continuous cycle of improving customer journeys.

## BUUK Infrastructure Issuer Plc

### Strategic Report for the Year Ended 31 December 2023 (continued)

Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the UK Companies Act 2006 (continued).

#### *Suppliers*

- Positive relationships with key suppliers have been integral to the ever-improving performance of our supply chains, with stock availability and replenishment rates optimised to support delivery to our customers.
- Environmental, Social and Governance (ESG) factors are foremost in the decision-making processes relating to both the onboarding of new suppliers, and to the selection for works under tender.
- Our commitment to the highest ESG standards are communicated to all suppliers, and accessible on our website.

#### *Regulators*

We have a positive relationship with our regulators and are focused on maintaining this and ensuring we act in a way which is open and transparent. We regularly liaise with our regulators at different levels and through a variety of "touch points" with regulatory and government departments to ensure the business evolves alongside any regulatory changes. Our engagement includes:

- Actively participating in strategic regulatory reviews through industry working groups, consultation responses and one to one meetings;
- Engaging with government departments and regulators on a one to one basis and through broader industry groups to promote industry change;
- Responding to regulatory consultations and requests for information;
- Meeting with regulators to promote industry change or to develop solutions to potential concerns;
- Hosting visits to our offices or to sites where we operate to demonstrate how our business model of operating in a multi utility world brings value to customers.

The Board receive regular updates on regulatory interaction and are committed to complying with all relevant regulatory requirements and continue to closely monitor the status of our regulatory relationships, enhancing engagement across key regulatory changes.

#### *Lenders*

We actively engage with banks and other lenders to foster a strong relationship. The Board proactively ensures compliance with all borrowing covenants and has an open dialogue with lenders to manage the financing needs of the business.

- Proposals are prepared and reviewed with our lenders for all significant decisions pertinent to those lenders
- Lenders are kept up to date by sharing quarterly accounts and budget information

## BUUK Infrastructure Issuer Plc

### Strategic Report for the Year Ended 31 December 2023 (continued)

#### Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the UK Companies Act 2006 (continued)

##### *Communities and Environment*

In the Global Real Estate Sustainability Benchmarking (GRESB) survey undertaken in 2023 BUUK achieved its highest ever score of 97% and was awarded five stars. BUUK were also recognised as sector leaders. The GRESB is the leading environmental, social and governance benchmark for retail and infrastructure investments across the world with this year's survey including 687 companies from 72 countries.

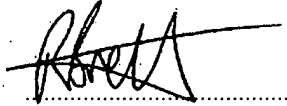
BUUK recognises the impacts that it has on the community and the environment and seeks to make a positive difference in the places where it operates. In 2023:

- 400 employees were actively involved in volunteering activities, undertaking 2,058 community and environmental 'missions' including planting 363 trees.
- BUUK ambassadors promoted STEM subjects and opportunities at 10 schools and university events in 2023, with almost 6,000 students attending between the ages of 14-24 years old.
- BUUK gave work experience opportunities to six students from local schools. Two employees completed their apprenticeships and moved into permanent roles, with a further two people joining on new apprenticeships.
- Continued implementation of our major Work Safe Home Safe cultural change initiative with an increased focus on Wellbeing.
- Further development on a decarbonisation plan for BUUK Energy Centres, a major source of Scope 1 emissions.
- Creation of a high-level steering group to drive and monitor progress towards the implementation of BUUK's objective to reach net-zero directly controlled carbon emissions by 2040.
- Completion of a consultancy study on the decarbonisation of BUUK's major fleet.
- There has been a significant increase in the number of electric vehicles and hybrid vehicles in BUUK's fleet.
- Implementation of major plastic packaging initiatives, leading to reductions of a further 28 tonnes of waste per annum. BUUK received a packing industry innovation award for a box that we co-designed and developed to replace plastic resin boxes.
- Improvement in waste landfill avoidance rates from 61% in 2022 to 95% in 2023.
- Continued partnership with an IT provider to collect end of life IT assets. In 2023 451 computers, laptops, and tablets were restored and reused, including some by charities, and 276 were recycled.
- Creation of a high-level Climate Change steering group to ensure all climate change risks are reviewed and appropriate mitigating actions are put in place across the Group.
- Development of BUUK's first annual Sustainability Report, outlining our Environmental, Social and Governance commitments. This report was made available to all stakeholders via the BUUK website.
- Maintained ISO 14001 environmental accreditation, with only minor areas for corrective or improvement action identified.
- BUUK became partners with the Supply Chain Sustainability School, a training platform allowing access to training in areas such as; Sustainability, Digital, FIR, Lean Construction, Management, Offsite, People and Procurement.

**BUUK Infrastructure Issuer Plc**

**Strategic Report for the Year Ended 31 December 2023 (continued)**

Approved by the Board on 15 March 2024 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'R Brett', is written over a horizontal dotted line.

R Brett  
Director

## **BUUK Infrastructure Issuer Plc**

### **Directors' Report for the Year Ended 31 December 2023**

The Directors present their annual report and audited financial statements for the year ended 31 December 2023.

Principal risks and uncertainties, financial risk management objectives, equal opportunities, employee engagement and business relationships can be found in the Strategic Report.

As a subsidiary company within the BUUK Group, the Company has taken the disclosure exemption in relation to Streamlined Energy and Carbon Reporting ("SECR") where disclosure is made within a parent company's group accounts. These SECR disclosures can be seen in the consolidated financial statements of BUUK Infrastructure No 2 Limited.

#### **Directors of the Company**

The Directors who held office during the year and to the date of this report, unless stated otherwise, were as follows:

C Linsdell

D Corney (resigned 28 July 2023)

P Sim

G Montesi

R Brett (appointed 28 July 2023)

C Miller (appointed 28 July 2023)

#### **Dividends**

The Directors do not recommend the payment of a final dividend (2022: £Nil).

#### **Financial risk management**

The activities of the Company expose it to a number of potential financial risks including foreign currency risk, credit risk and liquidity risk. These risks are managed by the Company as discussed below.

The Company uses derivative financial instruments to manage its exposure to fluctuations in foreign currency exchange rates. The Company does not hold any derivative financial instruments for speculative purposes. The Company is not exposed to interest rate risk as all borrowings are fixed, with long term settlement dates.

The Company is exposed to credit risk by way of its intercompany indebtedness. The Company and other Group companies are dependent on each other for support, and as such the credit risk of default is considered to be insignificant and the Directors consider the fair value of all intercompany assets and liabilities to be equal to their fair value.

#### **Future developments**

The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year. The Directors are satisfied that the Company is well placed to continue to perform satisfactorily during the coming year.

## **BUUK Infrastructure Issuer Plc**

### **Directors' Report for the Year Ended 31 December 2023 (continued)**

#### **Going concern**

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue to adopt the going concern basis in preparing the annual report and financial statements. The directors have received assurances that the company will have access to the BUUK Group's financial resources for a period of at least one year from the date of signing of the financial statements and that companies in the BUUK Group will not demand repayment of any inter-company debt where the company does not have the financial resources to effect such payment. In the longer term, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future and that its financial support will be sufficient for the company to continue to trade and meet its obligations as they fall due.

Further details regarding the adoption of the going concern basis can be found in Note 2 of the financial statements.

#### **Directors' liabilities**

The Company has Directors' and Officers' liability insurance to provide against liability in respect of proceedings brought forward by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

#### **Disclosure of information to the auditors**

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

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

## **BUUK Infrastructure Issuer Plc**

### **Directors' Report for the Year Ended 31 December 2023 (continued)**

#### **Directors' responsibilities statement**

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

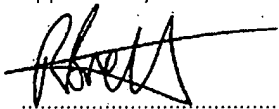
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Reappointment of auditors**

Deloitte LLP has indicated its willingness to continue in office and a resolution to reappoint them as the Company's auditor will be put to the forthcoming Annual General Meeting.

Approved by the Board on 15 March 2024 and signed on its behalf by:



R Brett  
Director

## **BUUK Infrastructure Issuer Plc**

### **Independent Auditor's Report to the Members of BUUK Infrastructure Issuer Plc**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of BUUK Infrastructure Issuer Plc (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 15.

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

##### **Basis for opinion**

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

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

## **BUUK Infrastructure Issuer Plc**

### **Independent Auditor's Report to the Members of BUUK Infrastructure Issuer Plc (continued)**

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

## **BUUK Infrastructure Issuer Plc**

### **Independent Auditor's Report to the Members of BUUK Infrastructure Issuer Plc (continued)**

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

## **BUUK Infrastructure Issuer Plc**

### **Independent Auditor's Report to the Members of BUUK Infrastructure Issuer Plc (continued)**

#### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....  
Lee Welham FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Cambridge  
United Kingdom

18 March 2024

# BUUK Infrastructure Issuer Plc

## Income Statement for the Year Ended 31 December 2023

	Note	2023 £	2022 £
Revenue		67,723,344	60,360,881
Cost of sales		<u>(66,125,749)</u>	<u>(59,200,417)</u>
Gross profit		1,597,595	1,160,464
Administrative expenses		<u>(513,616)</u>	<u>(405,831)</u>
Operating profit	3	<u>1,083,979</u>	<u>754,633</u>
Profit before tax		1,083,979	754,633
Taxation	6	<u>(254,735)</u>	<u>(143,380)</u>
Profit for the financial year		<u><u>829,244</u></u>	<u><u>611,253</u></u>

The above results were derived from continuing operations.

The notes on pages 21 to 35 form an integral part of these financial statements.

# BUUK Infrastructure Issuer Plc

## Statement of Comprehensive Income for the Year Ended 31 December 2023

	Notes	2023 £	2022 £
Profit for the year		829,244	611,253
Foreign currency translation gains/(losses) before tax	14	-	(26,797,313)
Unrealised gain/(loss) on cash flow hedges before tax		-	25,006,343
Income tax effect		-	447,742
Items reclassified to retained earnings	14	386,806	-
Other comprehensive income		386,806	(1,343,228)
<b>Total comprehensive income for the year</b>		<b>1,216,050</b>	<b>(731,975)</b>

The notes on pages 21 to 35 form an integral part of these financial statements.

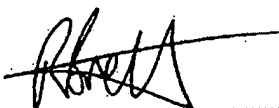
**BUUK Infrastructure Issuer Plc**

**(Registration number: 08276959)**

**Statement of Financial Position as at 31 December 2023**

	Note	2023 £	2022 £
<b>Current assets</b>			
Debtors	7	2,106,956,923	1,775,405,720
Cash at bank and in hand		<u>58,308</u>	<u>5,257</u>
		2,107,015,231	1,775,410,977
<b>Creditors: Amounts falling due within one year</b>	8	<u>(17,453,605)</u>	<u>(287,065,401)</u>
<b>Total assets less current liabilities</b>		2,089,561,626	1,488,345,576
<b>Creditors: Amounts falling due after more than one year</b>	8	<u>(2,085,000,000)</u>	<u>(1,485,000,000)</u>
<b>Net assets</b>		<u><u>4,561,626</u></u>	<u><u>3,345,576</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	50,000	50,000
Foreign currency translation reserve		-	(386,806)
Profit and loss account		<u>4,511,626</u>	<u>3,682,382</u>
<b>Total equity</b>		<u><u>4,561,626</u></u>	<u><u>3,345,576</u></u>

Approved and authorised by the Board on 15 March 2024 and signed on its behalf by:



R Brett  
Director

The notes on pages 21 to 35 form an integral part of these financial statements.

# BUUK Infrastructure Issuer Plc

## Statement of Changes in Equity for the Year Ended 31 December 2023

	Share capital £	Foreign currency translation £	Profit and loss account £	Total £
At 1 January 2022	50,000	956,422	3,071,129	4,077,551
Profit for the year	-	-	611,253	611,253
Other comprehensive income	-	(1,343,228)	-	(1,343,228)
Total comprehensive income	-	(1,343,228)	611,253	(731,975)
At 31 December 2022	50,000	(386,806)	3,682,382	3,345,576

	Share capital £	Foreign currency translation £	Profit and loss account £	Total £
At 1 January 2023	50,000	(386,806)	3,682,382	3,345,576
Profit for the year	-	-	829,244	829,244
Other comprehensive income	-	386,806	-	386,806
At 31 December 2023	50,000	-	4,511,626	4,561,626

The notes on pages 21 to 35 form an integral part of these financial statements.

## **BUUK Infrastructure Issuer Plc**

### **Notes to the Financial Statements for the Year Ended 31 December 2023**

#### **1 General information**

The company is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales.

The address of its registered office and principal place of business is:

Synergy House  
Woolpit Business Park  
Woolpit  
Bury St Edmunds  
Suffolk  
IP30 9UP

These financial statements were authorised for issue by the Board on 15 March 2024.

#### **2 Accounting policies**

##### **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.

##### **Basis of preparation**

These financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland.'

The financial statements are presented in Pounds Sterling, which is also the functional currency.

##### **Summary of disclosure exemptions**

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to members of a group where consolidated financial statements are publicly available. Exemptions have been taken in relation to the presentation of a cash flow statement, certain financial instruments and remuneration of key management personnel.

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of BUUK Infrastructure No 2 Limited.

The financial statements of BUUK Infrastructure No 2 Limited may be obtained from Synergy House, Woolpit Business Park, Windmill Avenue, Woolpit, Bury St Edmunds, Suffolk, IP30 9UP.

## **BUUK Infrastructure Issuer Plc**

### **Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

The Company forms part of the Group headed by BUUK Infrastructure (Jersey) Limited ("BUUK") of which the ultimate parent undertaking is Brookfield Corporation. The funding required to finance the activities of BUUK's subsidiaries is organised and managed on a centralised basis on behalf of all members of the Group.

The Group is cash generative and holds a Baa2 (investment grade) rating from Moody's. The rating was reconfirmed by Moody's in June 2023. At the date of approval of the financial statements the Group has undrawn committed facilities of £279.6m with a syndicate of banks, of which £189.0m is available for general corporate purposes and £90.6m is linked to future capital expenditure. These facilities were renewed in 2023 and are due to expire on 28 November 2028.

The Group has Senior Secured Loan notes denominated in GBP (£2,085m) which incur a fixed rate of interest. The Group's borrowings have an average remaining maturity of c.10.8 years, with maturity dates ranging from 2025 to 2048. £226m of the loan notes were repaid in 2023, these comprised \$350m denominated in USD and £25m in GBP. Cross currency interest rate swaps, used to fix the US\$ denominated interest and capital repayments, were settled alongside the capital repayment. This obligation was met through the issue of new senior loan notes, with a value of £350m in the same month.

The Directors have received assurances that the company will have access to the BUUK Group's financial resources for a period of at least one year from the date of signing of the financial statements, that companies in the BUUK Group will not demand repayment of any inter-company debt where the company does not have the financial resources to effect such payment, and that this financial support will be sufficient for the company to continue to trade and meet its obligations as they fall due. The Group's forecasts, taking into account reasonable possible changes in trading performance, show that the Company should have adequate resources to continue in operational existence for the foreseeable future.

Given the above, the Directors have a reasonable expectation that the Company can continue to meet its liabilities as they fall due, for a period of at least 12 months from the date of this annual report. Accordingly, they have prepared the financial statements on the going concern basis.

##### **Judgements and key sources of estimation uncertainty**

The Directors consider that there are no critical judgements or sources of estimation uncertainty to be disclosed that have been made in the process of applying the Company's accounting policies which have a significant effect on the amounts recognised in the financial statements.

##### **Revenue recognition**

The Company's principal activities are that of a finance provider to other Group companies. Turnover represents interest receivable from other Group companies. Interest receivable included in turnover is accrued on a daily basis and settled on a biannual basis coinciding with the interest payable on the external debt. All of the Company's turnover is derived in the UK.

## **BUUK Infrastructure Issuer Plc**

### **Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)**

#### **2 Accounting policies (continued)**

##### **Cost of sales**

The Company's principal activities are that of a finance provider to other Group companies. Cost of sales therefore represent interest payable on external finance and solely consists of interest payable on bond debt. Interest payable included in cost of sales is accrued on a daily basis and settled on a biannual basis.

##### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to other comprehensive income.

##### **Tax**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tax assets and liabilities are not discounted.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### **Debtors**

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

## **BUUK Infrastructure Issuer Plc**

### **Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)**

#### **2 Accounting policies (continued)**

##### **Creditors**

Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in cost of sales.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting 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.

## BUUK Infrastructure Issuer Plc

### Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

#### 2 Accounting policies (continued)

##### Derivative financial instruments and hedging

###### *Derivatives*

The Company uses derivative financial instruments to reduce exposure to foreign exchange rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Fair value is determined as being the discounted value of the expected future cash flows expected to arise from the transactions. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated as a hedging instrument, in which event the timing and recognition in profit or loss depends on the nature of the hedge relationship.

###### *Hedging*

The Company designates certain derivatives as hedging instruments in cash flow hedges.

At inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedging instrument. Furthermore, at the inception of the hedge the Company determines and documents causes for hedge ineffectiveness.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the statement of other comprehensive income, resulting in a cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts deferred in equity are recycled in the income statement in the periods when the hedged item is recognised in the income statement, in the same line of the income statement as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in the income statement.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the underlying transaction.

## BUUK Infrastructure Issuer Plc

### Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

#### 3 Operating profit

Fees for the audit of the financial statements of £16,680 (2022: £13,660) were borne by another Group company during the year on behalf of BUUK Infrastructure Issuer Plc.

#### 4 Staff costs

The Company had no employees during the year (2022: nil) with all administrative tasks undertaken by employees of fellow Group undertakings.

#### 5 Directors' remuneration

The Directors received no emoluments in the year (2022: £nil) in respect of qualifying services. The Directors are employees of other Group companies and the services that they provide to the Company are considered ancillary to the services that they provide to those other Group companies.

#### 6 Taxation

Tax charged/(credited) in the income statement

	2023 £	2022 £
<b>Current taxation</b>		
UK corporation tax	254,735	143,380

The differences between the tax assessed for the year and the blended rate of corporation tax of 23.5% (2022: 19%) are reconciled below:

	2023 £	2022 £
Profit before tax	1,083,979	754,633
Corporation tax at standard rate	254,735	143,380
Total tax charge	254,735	143,380

#### Deferred tax

The Finance Bill 2021, substantively enacted in May 2021, provided for the main rate of corporation tax to increase from 19% to 25% from 1 April 2023. Accordingly a blended rate of 23.5% has been applied in 2023 and deferred tax has been calculated at the year end using a tax rate of 25%.

The Company has no unrecognised deferred tax assets or liabilities at 31 December 2023 (2022: £nil).

## BUUK Infrastructure Issuer Plc

### Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

#### 7 Debtors

	Note	2023 £	2022 £
Amounts owed by group undertakings		2,097,703,607	1,720,732,026
Other debtors		23,946	-
Prepayments		9,229,370	7,123,706
Deferred tax assets	9	-	35,081
Financial instruments	14	-	47,514,907
		<u>2,106,956,923</u>	<u>1,775,405,720</u>
Less non-current portion		<u>(2,085,000,000)</u>	<u>(1,485,000,000)</u>
		<u>21,956,923</u>	<u>290,405,720</u>

#### Details of non-current trade and other debtors

£2,085,000,000 (2022 : £1,485,000,000) of amounts owed by related parties are classified as non-current.

Interest bearing amounts of £2,085,000,000 (2022: £1,711,139,817) owed by group undertakings are secured and repayable when the corresponding US Private Placement ("USPP") bond debt is required to be repaid as disclosed in note 10. Interest is charged at between 2.36% and 6.30% (2022: 2.36% and 4.55%). The fair value of these amounts are considered to be equal to the nominal value.

Interest bearing amounts of £12,703,607 (2022: £9,592,209) owed by group undertakings are unsecured and repayable on demand with interest charged at 5.7% (2022: 3.3% ).

# BUUK Infrastructure Issuer Plc

## Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

### 8 Creditors

	Note	2023 £	2022 £
<b>Due within one year</b>			
Loans and borrowings	10	-	273,282,711
Amounts due to group undertakings		254,735	143,380
Accruals		17,198,870	13,639,310
		<u>17,453,605</u>	<u>287,065,401</u>
<b>Due after one year</b>			
Loans and borrowings	10	<u>2,085,000,000</u>	<u>1,485,000,000</u>

Included within amounts due to group undertakings are non-interest bearing amounts of £254,734 (2022: £143,380), which are unsecured and repayable on demand.

Interest bearing amounts due to group undertakings are unsecured and repayable on demand with interest charged at 5.7% (2022: 3.3% ).

### 9 Deferred tax

	2023 £	2022 £
Other timing differences	<u>-</u>	<u>(35,081)</u>
		<b>Deferred tax</b>
		<b>£</b>
At 1 January 2023		(35,081)
Increase (decrease) from transfers and other changes		<u>35,081</u>
At 31 December 2023		<u>-</u>

## BUUK Infrastructure Issuer Plc

### Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

#### 10 Loans and borrowings

	2023 £	2022 £
<b>Non-current loans and borrowings</b>		
Secured borrowings	<u>2,085,000,000</u>	<u>1,485,000,000</u>

	2023 £	2022 £
<b>Current loans and borrowings</b>		
Bank borrowings	<u>-</u>	<u>273,282,711</u>

	Interest rate	Year of maturity	Nominal value £	2023 Book value £	2022 Book value £
Bonds \$300m (USD)	4.3%	2023	-	-	248,282,711
Bonds £100m (GBP)	4.6%	2029	100,000,000	100,000,000	100,000,000
Bonds £375m (GBP)	4.4%	2023 - 2033	375,000,000	375,000,000	400,000,000
Bonds £100m (GBP)	3.8%	2030 - 2035	100,000,000	100,000,000	100,000,000
Bonds £300m (GBP)	2.9%	2027 - 2048	300,000,000	300,000,000	300,000,000
Bonds £325m (GBP)	2.4%	2030 - 2045	325,000,000	325,000,000	325,000,000
Bonds £285m (GBP)	2.9%	2026 - 2036	285,000,000	285,000,000	285,000,000
Bonds £350m (GBP)	4.7%	2039 - 2043	350,000,000	350,000,000	-
Bonds £250m (GBP)	6.3%	2034 - 2037	250,000,000	250,000,000	-
			<u>2,085,000,000</u>	<u>2,085,000,000</u>	<u>1,758,282,711</u>

All facilities are required to comply with the same financial covenants on a quarterly basis, being a Debt Service cover of greater than 1.4x and a Leverage ratio of less than 8.5x (2022: 1.4x and 8.5x respectively). The Group was compliant with these covenants for each quarter during the years ended 31 December 2023 and 31 December 2022.

Borrowings are secured by English law governed fixed and floating security over the assets of BUUK Infrastructure No 1 Limited, BUUK Infrastructure No 2 Limited, BUUK Infrastructure Issuer plc, GTC Infrastructure Limited and certain other non-regulated group companies, and Guernsey law governed security over the shares and related rights in GTC Infrastructure Limited.

Presented within accruals is £16,323,870 (2022: £13,639,310) of accrued but unpaid interest on the Group's borrowings.

## BUUK Infrastructure Issuer Plc

### Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

#### 11 Share capital

##### Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

#### 12 Contingent liabilities

The Company has entered into cross guarantees with fellow subsidiary undertakings, which guarantee certain borrowings of the Group. As at 31 December 2023 the total borrowings, as part of the BUUK Group, amounted to £2,085,000,000 (2022: £1,758,283,000).

#### 13 Related party transactions

The Company has taken advantage of the exemption provided by FRS 102 paragraph 33.1A not to disclose transactions with other wholly-owned Group undertakings.

The Company has taken advantage of the exemption provided by FRS 102 paragraph 1.12(e) not to disclose key management personnel compensation.

# BUUK Infrastructure Issuer Plc

## Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

### 14 Financial instruments

The table below analyses the Company's financial assets and liabilities, which will be settled on a gross basis, into relevant maturity based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

2023	Weighted	On Demand £	< 1 year £	1-5 years £	> 5 years £
<b>Financial Assets</b>					
<i>Measured at amortised cost:</i>					
Amounts owed by group undertakings	3.98%	12,703,607	-	400,000,000	1,685,000,000
Cash and cash equivalents	0.25%	58,308	-	-	-
		<u>12,761,915</u>	<u>-</u>	<u>400,000,000</u>	<u>1,685,000,000</u>
<b>Financial Liabilities</b>					
<i>Measured at amortised cost:</i>					
Borrowings	3.93%	-	-	400,000,000	1,685,000,000
Amounts owed to group undertakings	nil	254,734	-	-	-
		<u>254,734</u>	<u>-</u>	<u>400,000,000</u>	<u>1,685,000,000</u>
<b>2023</b>					<b>Total £</b>
<b>Financial Assets</b>					
<i>Measured at amortised cost:</i>					
Amounts owed by group undertakings					2,097,703,607
Cash and cash equivalents					58,308
					<u>2,097,761,915</u>
<b>Financial Liabilities</b>					
<i>Measured at amortised cost:</i>					
Borrowings					2,085,000,000
Amounts owed to group undertakings					254,734
					<u>2,085,254,734</u>

# BUUK Infrastructure Issuer Plc

## Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

### 14 Financial instruments (continued)

2022	Weighted	On Demand £	< 1 year £	1-5 years £	> 5 years £
<i>Measured at amortised cost:</i>					
Amounts owed by group undertakings	3.48%	9,592,209	226,139,817	240,000,000	1,245,000,000
Cash and cash equivalents	0.25%	5,257	-	-	-
<i>Measured at fair value through profit and loss:</i>					
Forward cross currency swaps	nil	-	47,514,907	-	-
		<u>9,597,466</u>	<u>273,654,724</u>	<u>240,000,000</u>	<u>1,245,000,000</u>
<b>Financial Liability</b>					
<i>Measured at amortised cost:</i>					
Borrowings	3.49%	-	273,282,711	240,000,000	1,245,000,000
Amounts owed to group undertakings	nil	143,380	-	-	-
		<u>143,380</u>	<u>273,282,711</u>	<u>240,000,000</u>	<u>1,245,000,000</u>

# BUUK Infrastructure Issuer Plc

## Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

### 14 Financial instruments (continued)

2022

Total  
£

*Measured at amortised cost:*

Amounts owed by group undertakings

1,494,592,209

Cash and cash equivalents

5,257

*Measured at fair value through profit and loss:*

Forward cross currency swaps

1,494,597,466

### Financial Liability

*Measured at amortised cost:*

Borrowings

1,485,000,000

Amounts owed to group undertakings

143,380

1,485,143,380

# BUUK Infrastructure Issuer Plc

## Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

### 14 Financial instruments (continued)

#### Financial assets and liabilities measured at fair value

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- cash and cash equivalents, trade and other receivables, trade and other payables approximate to their carrying amounts largely due to the short-term maturities of these instruments;
- the fair value of the derivative financial instrument asset is estimated using risk-adjusted discounted future cash flow projections;
- the fair value of borrowings are calculated using the method described above.

#### Items of income, expense, gains or losses

	Income £	Expense £	Net gains £	Net losses £
<b>2023</b>				
Financial assets measured at fair value through profit or loss	-	-	-	(6,379,398)
Financial liabilities measured at fair value through profit or loss that are not held as part of a trading portfolio and are not derivatives	-	66,125,751	-	-
Financial assets measured at amortised cost	67,723,343	-	-	-
Financial liabilities measured at amortised cost	-	-	6,379,398	-
	<u>67,723,343</u>	<u>66,125,751</u>	<u>6,379,398</u>	<u>(6,379,398)</u>
	Income £	Expense £	Net gains £	Net losses £
<b>2022</b>				
Financial assets measured at fair value through profit or loss	-	-	26,797,313	-
Financial liabilities measured at fair value through profit or loss that are not held as part of a trading portfolio and are not derivatives	-	59,200,417	-	-
Financial assets measured at amortised cost	60,360,881	-	-	-
Financial liabilities measured at amortised cost	-	-	-	(26,797,313)
	<u>60,360,881</u>	<u>59,200,417</u>	<u>26,797,313</u>	<u>(26,797,313)</u>

## BUUK Infrastructure Issuer Plc

### Notes to the Financial Statements for the Year Ended 31 December 2023 (continued)

#### 14 Financial instruments (continued)

##### Cash flow hedges

###### *Cross currency swap*

The Company has financial liabilities which are exposed to changes in market currency exchange rates by changing their future cash flows. The Company uses derivative financial instruments to manage this exposure. The Company does not hold any speculative financial instruments.

As part of the issue of \$300m fixed rate corporate bonds the Company entered into forward cross currency swap contracts with a notional value of \$300m (2022: \$300m) to hedge the potential movement in the USD:GBP exchange rate, these were repaid in April 2023. This contract was designated as an effective cash flow hedge to reduce the Company's cash flow exposure resulting from variable rates of exchange. The contracts settled simultaneously with settlement of the associated bonds.

The fair value of the financial instruments designated as hedging instruments at 31 December 2023 is £Nil (2022 - £47,514,907).

The amount of the change in fair value of the hedging instrument that was recognised in other comprehensive income during the period is £nil (2022 - £25,006,343).

The amount reclassified from equity to profit or loss for the period is £386,606 (2022 - £26,797,313).

#### 15 Parent and ultimate parent undertaking

The company's immediate parent is BUUK Infrastructure No 2 Limited, incorporated in England and Wales.

The ultimate parent and controlling party is Brookfield Corporation, incorporated in Canada.

The largest group of which the Company is a member and for which Group financial statements are prepared is Brookfield Corporation. These financial statements are available upon request from its registered office at Brookfield Corporation, Suite 100, Brookfield Place, 181 Bay Street, Toronto, Canada.

The smallest group of which the Company is a member and for which Group financial statements are prepared is BUUK Infrastructure No 2 Limited, a Company registered in England and Wales. These financial statements are available upon request from its registered office at Synergy House, Woolpit Business Park, Windmill Avenue, Woolpit, Bury St Edmunds, Suffolk, IP30 9UP.