

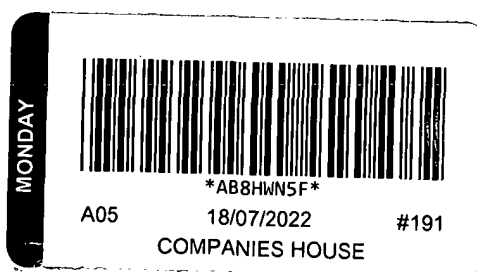
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Registration number: FC020169 (England & Wales) 29431 (Guernsey)

# GTC Infrastructure Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021



## **GTC Infrastructure Limited**

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## **GTC Infrastructure Limited**

### **Company Information**

<b>Directors</b>	C Linsdell D Corney P Edwards N Hindle
<b>Company secretary</b>	Cosign Limited
<b>Registered office</b>	Martello Court Admiral Park St Peter Port Guernsey GY1 3HB
<b>Auditors</b>	Deloitte LLP Statutory Auditor London, United Kingdom

## GTC Infrastructure Limited

### Strategic Report for the Year Ended 31 December 2021

The Directors present their Strategic Report, annual report and audited financial statements for the year ended 31 December 2021.

#### Principal activity

The principal activity of the Company is that of designing and installing infrastructure networks for adoption by others and providing services to companies within the BUUK Infrastructure Group "BUUK Group" under a Group Services Agreement in order that companies within the BUUK Group can meet the obligations contained in their industry licences. The Company also provides a range of other services to fellow group undertakings.

#### Fair review of the business

The profit for the year, after taxation, amounted to £14,614,532 (2020: profit of £14,330,461). At the year-end the Company had net assets of £230,857,783 (2020: net assets of £234,457,810).

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. The Group is not aware of any 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.

##### *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 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.

##### *Liquidity and Interest Rates*

The Group has a policy of seeking to have a number of sources of funds 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 10 years and is subject to a fixed interest rate.

##### *Cash flow risk*

The Group uses derivative financial instruments to manage certain exposures to fluctuations in interest rates, inflation rates and exchange rates. The Group does not hold any speculative financial instruments.

##### *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.

## GTC Infrastructure Limited

### Strategic Report for the Year Ended 31 December 2021 (continued)

#### Principal risks and uncertainties (continued)

##### *COVID-19*

The Directors have considered the expected impact of COVID-19 on future periods. As a company which designs and installs infrastructure assets within the BUUK Group, the potential impact of COVID-19 on the Company is considered the same as for the Group as a whole.

As at the date of the approval of this report the Group had £318m of undrawn committed facilities, of which £193.8m is available for general corporate purposes and £124.2m is linked to future capital expenditure. This availability of facilities and the performance of the Group in 2021, combined with the nature of the Group's activities, as discussed below, has led the Directors to the conclusion that it is unlikely the Group would be unable to meet its obligations as they fall due. The Group's business model and financing structure are resilient and there is a strong order book in place for the provision of new connections in the future.

The Group's core business activity is the ownership and operation of infrastructure assets, supplying essential services of gas, electricity, water, fibre, waste water and district heat. The transportation revenues from this activity are highly stable and predictable and are currently underpinned by a supportive regulatory framework. These revenues are expected to remain stable and continue to generate positive cash flows. This has been demonstrated by the Group's performance during 2021, which has seen the Group maintain a strong EBITDA position and remain cash generative despite the impact of the COVID-19 pandemic.

Additionally, BUUK undertakes the construction of new infrastructure assets to be owned and operated by the Group. Construction activity levels were reduced at the start of the pandemic due to the suspension of works by some housebuilders on some new housing sites, however this has steadily recovered, with new connections now close to pre-COVID levels. As construction levels continue to increase the Directors are committed to ensuring BUUK retains the resources necessary to meet this demand, implementing procedures and policies to make it practical and safe to do so.

## GTC Infrastructure Limited

### Strategic Report for the Year Ended 31 December 2021 (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.

#### COVID-19

The Board of directors have considered the needs of the different stakeholders of the Group and have balanced these in their actions to mitigate the impact of COVID-19:

- A range of measures continue to be provided to support employees in continuing to work in a safe and effective manner. This includes greater support for remote working but also investment in safety equipment in office locations and the implementation of social distancing measures to allow employees to work safely in the office environment and continue to offer high quality support to customers
- Continued to support the mental health of employees through the provision of an employee assistance programme
- The Group has supported the local community and worked with the local surgery to provide a location to be used for vaccinations, supporting over 10,000 vaccines in 2021.

## GTC Infrastructure Limited

### Strategic Report for the Year Ended 31 December 2021 (continued)

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

COVID-19 has presented a unique challenge to many businesses and the Group has carefully considered whether the following policies remain appropriate. Where they have not, due to social distancing measures and safety concerns, they have been temporarily suspended or alternatives found if possible. As the Group intends to continue with these policies once it is appropriate to do so, the policies continue to be disclosed below.

Further information on the risks presented by COVID-19 and the considerations on going concern can be seen in the Principal Risks and Uncertainties section of the Strategic Report and the Going Concern section of Note 2.

#### *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:

#### *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
- Provide a platform for staff to commit to building a positive safety culture irrespective of role or responsibility

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

- Offer a dual utility engineering apprenticeship scheme
- Offer a Graduate Development Programme
- Annual process to identify training needs backed by investment in development for staff

#### *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 apprised of business performance and industry changes followed by Q&A opportunities
- Regularly circulate internal magazines and articles
- Provide a platform where the business can pose challenges to employees for ideas and where employees can also post other ideas or questions
- Conduct annual face to face Directors presentations to encourage two-way communication

## GTC Infrastructure Limited

### Strategic Report for the Year Ended 31 December 2021 (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. We have ranked as one of the UK's Best Workplaces™ for four consecutive years and in 2021 we have ranked in the UK's Best Workplaces™ for Women.

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 the bridge between education and employment
- Increased employee recognition for outstanding work linked to our Core values
- Discounted FitBits to encourage colleagues to be more active
- Aspiring Managers Programme
- Leadership & Management Programme

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.

#### *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 the need to foster relationships with them.

#### *Customers*

- Customer satisfaction is closely monitored via both the Net Promoter Score and Customer Effort Score frameworks and results are used to drive process and performance improvements
- Customer feedback is reviewed by Senior Management regularly and is used to continuously improve the business, an example being developing the way in which work is requested by our developer customers to ensure site visits are not aborted



## GTC Infrastructure Limited

### Strategic Report for the Year Ended 31 December 2021 (continued)

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

#### *Suppliers*

- Corporate social responsibility is a key selection and approval criteria for suppliers
- Group corporate social responsibility requirements are communicated to all suppliers and are accessible on our websites
- Collaborative working with suppliers is critical to the business, an example being the way a key supplier delivers stock to sites has been enhanced and automated to ensure stock is available at critical times.

#### *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

#### *Communities and Environment*

BUUK has been recognised as the overall asset sector leader for its superclass in the 2021 GRESB Infrastructure Assessment, achieving a score of 90% and a 5 star rating. The GRESB is the leading environmental, social and governance benchmark for retail and infrastructure investments across the world.

BUUK recognises the impacts that it has on the community and the environment and seeks to make a positive difference in the places where we operate.

- Engage in community projects which involve employees working in and amongst the local community
- Actively make available work experience opportunities for 16 to 18 year old students
- Provision of volunteering leave to support local community projects. Following the launch in December 2021, 89 employees have become volunteers and 85 missions have been completed
- Integration of Climate Change Adaptation
- Increasing awareness of environmental issues
- Drive to eliminate single use plastics in our supply chain, achieving c. 50 tonnes reduction against our 2019 baseline
- Waste elimination programmes at all sites, achieved 67% avoidance of general waste sent to landfill in 2021
- Solar panels installed at head office
- Maintained registration of ISO 14001 environmental accreditation
- Partnership with an IT provider to collect end of life IT assets for reuse or recycling, with 435 items being resold to be used again and 869 items recycled
- The Group expects all employees and its suppliers to work to the Group's own policies and procedures, which as a minimum standard requires compliance with any relevant international and national legal or regulatory framework

GTC Infrastructure Limited

Strategic Report for the Year Ended 31 December 2021 (continued)

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

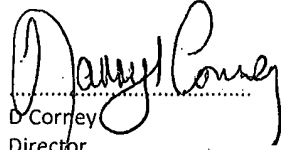
*Regulators*

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.

Approved by the Board on 20 June 2022 and signed on its behalf by:

  
D. Correy  
Director

## **GTC Infrastructure Limited**

### **Directors' Report for the Year Ended 31 December 2021**

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

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

P Edwards

N Hindle (appointed 21 June 2021)

#### **Dividends**

During the year interim dividends were approved and paid of £18,500,000 (2020: £22,500,000). The Directors do not recommend the payment of a final dividend (2020: £Nil).

#### **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.

#### **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, 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.

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 the Companies (Guernsey) Law, 2008. 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 s249(3) of the Companies (Guernsey) Law, 2008.

## GTC Infrastructure Limited

### Directors' Report for the Year Ended 31 December 2021 (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". The financial statements are required by law to 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:

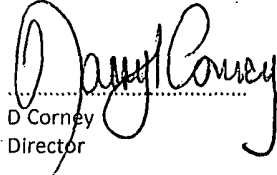
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate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

The Directors are responsible for keeping proper 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 (Guernsey) Law, 2008. 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.

#### 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 20 June 2022 and signed on its behalf by:



D Corney  
Director

## **GTC Infrastructure Limited**

### **Independent Auditor's Report to the Members of GTC Infrastructure Limited**

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

##### **Opinion**

In our opinion the financial statements of GTC Infrastructure Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 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 (Guernsey) Law, 2008.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Financial Position;
- the Statement of Changes in Equity; and
- the related notes 1 to 21.

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.

## **GTC Infrastructure Limited**

### **Independent Auditor's Report to the Members of GTC Infrastructure Limited (continued)**

#### **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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 about their own identification and assessment of the risks of irregularities.

## GTC Infrastructure Limited

### Independent Auditor's Report to the Members of GTC Infrastructure Limited (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 the Companies (Guernsey) Law, 2008 and relevant 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 tax and 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.

As a result of performing the above, we identified the greatest potential for fraud in the presumed significant risk of fraud in revenue recognition, focusing specifically on construction revenue being incorrectly recorded due to management manipulation by adding fictitious customers, or adjusting total developer contributions. Our specific procedures performed to address this risk included testing the design, implementation and operating effectiveness of the controls around construction revenue. Sampling of, and agreeing projects, to a signed acceptance of quote and (if applicable) variation, recalculation of the revenue to be recognised based on the audited connections completed and audited developer contribution.

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.

## **GTC Infrastructure Limited**

### **Independent Auditor's Report to the Members of GTC Infrastructure Limited (continued)**

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

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

Under the Companies (Guernsey) Law, 2008 we are required to report in respect of the following matters if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; 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 Section 262 of the Companies (Guernsey) Law, 2008. 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.

*Deloitte LLP*

Deloitte LLP  
Statutory Auditor  
London, United Kingdom

23 June 2022



**GTC Infrastructure Limited**

**Income Statement for the Year Ended 31 December 2021**

	Note	2021 £	2020 £
Turnover	3	213,767,305	188,540,288
Cost of sales		<u>(137,006,601)</u>	<u>(119,870,323)</u>
Gross profit		76,760,704	68,669,965
Administrative expenses		(65,850,010)	(59,970,456)
Other operating income	7	-	1,949,280
Profit on disposal of operations	11	<u>175,218</u>	<u>-</u>
Operating profit	4	11,085,912	10,648,789
Income from investments	10	4,143,717	2,500,000
Interest receivable and similar income	5	8,100,042	12,559,109
Interest payable and similar expenses	6	<u>(8,534,883)</u>	<u>(9,140,361)</u>
Profit before tax		14,794,788	16,567,537
Taxation	8	<u>(180,256)</u>	<u>(2,237,076)</u>
Profit for the financial year		<u><u>14,614,532</u></u>	<u><u>14,330,461</u></u>

The above results were derived from continuing operations.

No separate Statement of Comprehensive Income has been presented because the Company has no items of comprehensive income other than the profit for the financial year.

The notes on pages 18 to 29 form an integral part of these financial statements.

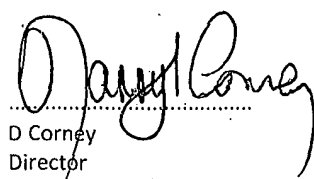
GTC Infrastructure Limited

(Registration number: FC020169 (England & Wales) 29431 (Guernsey))

Statement of Financial Position as at 31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	9	24,009,618	21,550,736
Investments	10	<u>40,001,007</u>	<u>40,001,007</u>
		<u>64,010,625</u>	<u>61,551,743</u>
<b>Current assets</b>			
Stocks	12	337,370,186	271,720,636
Debtors	13	384,094,131	544,749,622
Cash at bank and in hand		<u>29,671,494</u>	<u>3,815,765</u>
		751,135,811	820,286,023
<b>Creditors: Amounts falling due within one year</b>	14	<u>(584,288,653)</u>	<u>(647,379,956)</u>
<b>Net current assets</b>		<u>166,847,158</u>	<u>172,906,067</u>
<b>Net assets</b>		<u>230,857,783</u>	<u>234,457,810</u>
<b>Capital and reserves</b>			
Called up share capital	16	24,264,235	24,264,235
Profit and loss account		<u>206,593,548</u>	<u>210,193,575</u>
<b>Total equity</b>		<u>230,857,783</u>	<u>234,457,810</u>

Approved and authorised by the Board on 20 June 2022 and signed on its behalf by:

  
D Corney  
Director

The notes on pages 18 to 29 form an integral part of these financial statements.

**GTC Infrastructure Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2021**

	Notes	Share capital £	Profit and loss account £	Total £
At 1 January 2020		24,264,235	218,173,834	242,438,069
Profit for the year		-	14,330,461	14,330,461
Dividends	18	-	(22,500,000)	(22,500,000)
Capital contribution	2	-	189,280	189,280
At 31 December 2020		<u>24,264,235</u>	<u>210,193,575</u>	<u>234,457,810</u>

	Notes	Share capital £	Profit and loss account £	Total £
At 1 January 2021		24,264,235	210,193,575	234,457,810
Profit for the year		-	14,614,532	14,614,532
Dividends	18	-	(18,500,000)	(18,500,000)
Capital contribution	2	-	285,441	285,441
At 31 December 2021		<u>24,264,235</u>	<u>206,593,548</u>	<u>230,857,783</u>

The notes on pages 18 to 29 form an integral part of these financial statements.

## **GTC Infrastructure Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1 General information**

The company is a private company limited by share capital, incorporated in Guernsey.

The address of its registered office is:

Martello Court  
Admiral Park  
St Peter Port  
Guernsey  
GY1 3HB

The 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 20 June 2022.

#### **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.

## GTC Infrastructure Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 2 Accounting policies (continued)

##### Group financial statements not prepared

As a member of a larger group whose consolidated accounts are publicly available, the Company has taken the exemption from preparing consolidated financial statements in accordance with the Companies (Guernsey) Law, 2008. Accordingly the financial statements present information about the Company as an entity, and not as a group.

##### Going concern

The Company forms part of the Group headed by BUUK Infrastructure (Jersey) Limited ("BUUK") of which the ultimate parent undertaking is Brookfield Asset Management Inc. 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 May 2021. At the date of approval of the financial statements the Group has undrawn committed facilities of £318m with a syndicate of banks, of which £193.8m is available for general corporate purposes and £124.4m is linked to future capital expenditure. These facilities were renewed in 2019 and are due to expire on 18 September 2024.

The Group has Senior Secured Loan notes denominated in GBP (£1,510m) and US\$ (\$300m). The loan notes incur a fixed rate of interest and cross currency interest rate swaps have been taken out to fix the US\$ denominated interest and capital repayments. The Group's borrowings have an average remaining maturity of c.9.8 years with maturity dates ranging from 2023 to 2048. Amounts totalling £226m fall due for repayment in April 2023. The Group intends to meet this obligation through the issue of new Senior Secured Loan Notes in advance of the repayment date. The Directors do not have any concerns in securing this financing due to the Group's credit rating and history of successfully issuing Loan Notes. In the unlikely event the new bond is not in place by April 2023, management have concluded the group has sufficient resources to continue to operate for the foreseeable future.

In light of the COVID-19 pandemic the Directors have considered the implications on going concern and, as noted within the Principal Risks and Uncertainties section of the Strategic Report, the availability of facilities, combined with the in year performance of the Group has led the Directors to conclude that the Group will be able to meet its obligations for a period of 12 months.

Further details of the COVID-19 measures undertaken by the Group can be found in the Strategic Report.

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.

## **GTC Infrastructure Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

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

##### **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**

Turnover represents the amounts receivable from the supply of goods and services during the year, net of Value Added Tax. Revenue is recognised at the point of delivery to the customer, or when the service has been undertaken.

All turnover and profit before taxation, by origin and destination, was attributable to the UK.

##### **Contract revenue recognition**

Construction turnover is recognised based on the stage of completion of the infrastructure construction contract. This is measured by the proportion of connections completed compared to the contracted connections for each contract.

##### **Income from investments**

Income from investments represent dividends received from subsidiary undertakings during the year. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

##### **Finance income and costs**

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be reliably measured. Interest is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Interest costs are accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

##### **Government Grants**

Amounts relating to government grants are recognised in the Income Statement over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants have been presented as other operating income in the Income Statement.

## GTC Infrastructure Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 2 Accounting policies (continued)

##### Tax

The tax expense for the period comprises current and deferred 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.

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.

##### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

##### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	5 years straight line
Motor vehicles	4 years straight line
Buildings	50 years straight line
Leasehold improvements	12 - 25 years straight line

##### Investments

The Company's investments in shares of subsidiary undertakings are included at cost. The carrying value of fixed asset investments is reviewed for impairment if circumstances indicate that it may not be recoverable. The recoverable amount is deemed to be the higher of its value in use and its fair value less costs to sell.

##### 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.

## **GTC Infrastructure Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

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

##### **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.

##### **Stocks**

Work in progress is stated at the lower of cost and net realisable value. Cost comprises of direct materials, labour and overheads.

##### **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.

##### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

##### **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.

##### **Capital contribution**

Capital contributions relate to Group share-based pay arrangements involving employees of the Company. The Company does not have an obligation to settle the share-based pay transaction with its employees. The obligation to settle arises in another Group company, BUUK Infrastructure (Jersey) Limited. The Company accounts for this transaction as an equity-settled scheme by recognising an expense for this transaction and a corresponding increase in equity as a contribution from its parent.

##### **Dividends**

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

##### **Defined contribution pension obligation**

The Company operates a defined contribution pension scheme. The amount charged to profit and loss in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the statement of financial position.



## GTC Infrastructure Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 3 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Construction revenue	142,033,680	125,540,048
Service revenue	<u>71,733,625</u>	<u>63,000,240</u>
	<u>213,767,305</u>	<u>188,540,288</u>

#### 4 Operating profit

Arrived at after charging/(crediting)

	2021 £	2020 £
Depreciation expense	6,840,207	6,661,596
Operating lease expense - property	638,363	607,710
Profit on disposal of property, plant and equipment	(288,760)	(85,287)
Pension costs, defined contribution scheme	<u>3,647,777</u>	<u>3,422,996</u>

Fees for the audit of the financial statements of £102,450 (2020: £97,800) were borne by another Group company during the year on behalf of GTC Infrastructure Limited.

#### 5 Other interest receivable and similar income

	2021 £	2020 £
Interest income on bank deposits	14,438	77,933
Interest receivable on loans to group undertakings	<u>8,085,604</u>	<u>12,481,176</u>
	<u>8,100,042</u>	<u>12,559,109</u>

#### 6 Interest payable and similar expenses

	2021 £	2020 £
Other finance costs	56,934	64,818
Interest payable on loans from group undertakings	<u>8,477,949</u>	<u>9,075,543</u>
	<u>8,534,883</u>	<u>9,140,361</u>

# GTC Infrastructure Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 7 Government grants

	2021 £	2020 £
Government grants recognised in the Income Statement	-	1,949,280

Government grants recognised relate to amounts received for the Coronavirus Job Retention Scheme and have been presented as other operating income in the Income Statement.

### 8 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	3,213,362	2,443,756
UK corporation tax adjustment to prior periods	(10,149)	85,472
	<u>3,203,213</u>	<u>2,529,228</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(1,517,919)	257,816
Arising from changes in tax rates and laws	(1,461,499)	(510,110)
Adjustment in respect of previous period	(43,539)	(39,858)
Total deferred taxation	<u>(3,022,957)</u>	<u>(292,152)</u>
Tax expense in the income statement	<u>180,256</u>	<u>2,237,076</u>

The differences between the tax assessed for the period and the standard rate of corporation tax of 19% (2020: 19%) are reconciled below:

	2021 £	2020 £
Profit before tax	<u>14,794,788</u>	<u>16,567,537</u>
Corporation tax at standard rate	2,811,010	3,147,832
Decrease from effect of different UK tax rates on some earnings	(364,301)	-
Effect of revenues exempt from taxation	(821,036)	(490,831)
Effect of expense not deductible in determining taxable profit (tax loss)	69,770	44,571
UK deferred tax credit relating to changes in tax rates or laws	(1,461,499)	(510,110)
(Decrease)/increase in tax from adjustment for prior periods	<u>(53,688)</u>	<u>45,614</u>
Total tax charge	<u>180,256</u>	<u>2,237,076</u>

# GTC Infrastructure Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 8 Taxation (continued)

#### Deferred tax

There are £1,418,928 of unused tax losses (2020 - £1,659,317) for which no deferred tax asset is recognised in the Statement of Financial Position.

The Finance Act 2020, substantively enacted in March 2020, provided for the main rate of corporation tax to remain at 19%. Accordingly deferred tax for the year ended 31 December 2020 was calculated using a tax rate of 19%. The Finance Act 2021, substantively enacted in May 2021, provided for the main rate of corporation tax rate to increase to 25% from 1 April 2023. Accordingly, deferred tax for the year ended 31 December 2021 has been calculated using a tax rate of 25%.

### 9 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 January 2021	9,129,834	24,772,540	13,933,898	47,836,272
Additions	60,380	3,195,749	6,177,062	9,433,191
Disposals	-	(2,609,686)	(1,006,277)	(3,615,963)
At 31 December 2021	<u>9,190,214</u>	<u>25,358,603</u>	<u>19,104,683</u>	<u>53,653,500</u>
<b>Depreciation</b>				
At 1 January 2021	569,253	16,569,909	9,146,374	26,285,536
Charge for the year	247,129	3,599,623	2,993,455	6,840,207
Eliminated on disposal	-	(2,564,252)	(917,609)	(3,481,861)
At 31 December 2021	<u>816,382</u>	<u>17,605,280</u>	<u>11,222,220</u>	<u>29,643,882</u>
<b>Carrying amount</b>				
At 31 December 2021	<u>8,373,832</u>	<u>7,753,323</u>	<u>7,882,463</u>	<u>24,009,618</u>
At 31 December 2020	<u>8,560,581</u>	<u>8,202,631</u>	<u>4,787,524</u>	<u>21,550,736</u>

## GTC Infrastructure Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 10 Investments

	2021 £	2020 £
Investments in subsidiaries	<u>40,001,007</u>	<u>40,001,007</u>

Dividends from subsidiary undertakings received in the year were £4,143,717 (2020: £2,500,000).

During the year the investments indirectly held in Power On Connections Limited, EPLR Holdings Limited, EPL&R Utilities Limited and Express Utilities Limited were sold to parent company BUUK Infrastructure No 2 Limited.

Fixed asset investments are in group undertakings and are stated at cost. The Company's investments represent equity shares in GPL Investments Limited, Power On Investments Limited, The Electricity Network Company Limited and GTC Utility Construction Limited.

#### Details of undertakings

Subsidiaries	Holding	Current Year	Prior Year	Principal Activity
GPL Investments Limited	Shares	100%	100%	Dormant
Power On Investments Limited	Shares	100%	100%	Investment holding company
The Electricity Network Company Limited	Shares	100%	100%	Ownership and operation of electric infrastructure in the UK
GTC Utility Construction Limited	Shares	100%	100%	Construction of utility infrastructure in the UK
Power On Connections Limited	Shares	0%	100%	Construction of electric infrastructure in the UK
EPLR Holdings Limited	Shares	0%	100%	Dormant
EPL&R Utilities Limited	Shares	0%	100%	Dormant
Express Utilities Limited (formerly Express Pipelaying & Repairs Limited)	Shares	0%	100%	Construction of utility infrastructure in the UK

The above subsidiaries are all registered in England and Wales.

The registered office of each subsidiary above is Synergy House, Woolpit Business Park, Windmill Avenue, Woolpit, Bury St Edmunds, Suffolk, IP30 9UP.

#### 11 Disposal of subsidiary

On 18 September 2019, the Company disposed of its interest in Independent Fibre Retail Limited. The profit on disposal of Independent Fibre Retail Limited was £4,484,321, plus an additional £175,218 which was recognised in the year ended 31 December 2021 following the settlement of deferred consideration.

# GTC Infrastructure Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 12 Stocks

	2021 £	2020 £
Work in progress	<u>337,370,186</u>	<u>271,720,636</u>

### 13 Debtors

	Note	2021 £	2020 £
Trade debtors		30,338,177	24,222,904
Amounts owed by group undertakings		316,999,517	491,119,141
Other debtors		2,354,953	4,300,372
Prepayments		3,661,267	3,260,636
Accrued income		23,089,179	17,218,488
Deferred tax assets	15	<u>7,651,038</u>	<u>4,628,081</u>
		<u>384,094,131</u>	<u>544,749,622</u>

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

£7,651,038 (2020 : £4,628,081) of deferred tax assets are classified as non current.

Amounts owed by group undertakings are unsecured and repayable on demand with interest charged at 2.53% (2020: 2.53% ).

### 14 Creditors

	2021 £	2020 £
<b>Due within one year</b>		
Trade creditors	5,851,235	6,178,309
Amounts due to group undertakings	292,406,051	395,611,081
Social security and other taxes	302,910	1,176,698
Other payables	826,087	835,153
Accruals	51,447,141	48,243,525
Deferred income	<u>233,455,229</u>	<u>195,335,190</u>
	<u>584,288,653</u>	<u>647,379,956</u>

Included within amounts due to group undertakings are non-interest bearing amounts of £9,234,804 (2020: £10,763,611), which are unsecured and repayable on demand.

Interest bearing amounts due to group undertakings are unsecured and repayable on demand with interest charged at 2.53% (2020: 2.53% ).

# GTC Infrastructure Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 15 Deferred tax

	2021 £	2020 £
Accelerated/(decelerated) capital allowances	(6,736,194)	(4,092,879)
Deferred tax arising in relation to retirement benefit obligations	-	(60,325)
Other timing differences	<u>(914,844)</u>	<u>(474,877)</u>
	<u>(7,651,038)</u>	<u>(4,628,081)</u>
		Deferred tax £
At 1 January 2021		(4,628,081)
Increase (decrease) in existing provisions		<u>(3,022,957)</u>
At 31 December 2021		<u>(7,651,038)</u>

### 16 Share capital

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

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>24,264,235</u>	<u>24,264,235</u>	<u>24,264,235</u>	<u>24,264,235</u>

### 17 Obligations under leases and hire purchase contracts

#### Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	364,849	544,073
Later than one year and not later than five years	121,625	417,711
Later than five years	<u>1,030,200</u>	<u>1,040,300</u>
	<u>1,516,674</u>	<u>2,002,084</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £638,363 (2020 : £607,710).

## GTC Infrastructure Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 18 Dividends

	2021 £	2020 £
Interim dividend of £0.76 (2020 - £0.93) per ordinary share	<u>18,500,000</u>	<u>22,500,000</u>

#### 19 Contingent liabilities

The Company has entered into cross guarantees with fellow subsidiary undertakings, which guarantee certain borrowings of the Group. As at 31 December 2021 the total borrowings, as part of the BUUK Group, amounted to £1,731,697,000 (2020: £1,809,495,000).

#### 20 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.

#### 21 Parent and ultimate parent undertaking

The company's immediate parent is BUUK Infrastructure No 2 Limited, incorporated in the United Kingdom.

The ultimate parent and controlling party is Brookfield Asset Management Inc, incorporated in Canada.

The largest group of which the Company is a member and for which Group financial statements are prepared is Brookfield Asset Management Inc. These financial statements are available upon request from its registered office at Brookfield Asset Management Inc., Suite 300, 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.