

Company Registration No. 11616387 (England and Wales)

**LAST MILE INFRASTRUCTURE HOLDCO2
LIMITED**

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021**

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LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

COMPANY INFORMATION

Directors	M D C Helmore S Johnson A H Khan
Secretary	K J Nellany
Company number	11616387
Registered office	Hooper Suite Building 6 Bonds Mill Estate Stonehouse Gloucestershire England GL10 3RF
Auditor	RSM UK Audit LLP Chartered Accountants Third Floor Centenary House 69 Wellington Street Glasgow G2 6HG

LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

This strategic report has been prepared in accordance with the requirements of Section 414C of the Companies Act 2006. Its purpose is to inform the shareholders and help them assess how the directors have performed their duty to promote the success of Last Mile Infrastructure Holdco2 Limited (the "company").

Principal activities

The company's principal activity is that of an intermediate holding company to the trading businesses in the Last Mile Infrastructure (Holdings) Limited group of companies (the "group"). The group's ultimate parent undertaking and controlling party is Infracapital Partners III (Euro) SCSp and Infracapital Partners III (Sterling) SCSp, partnerships established in Luxembourg (together 'Infracapital'), the infrastructure equity investment arm of M&G plc. The company is part of the funding structure between the Infracapital fund and the group's trading businesses.

Strategic review

The directors intend the company to pursue its activity of being an intermediate holding company to the trading businesses in the group. During the year, additional funding was provided by the Infracapital fund (as a combination of equity and loan notes) to acquire the controlling stake in the Icosa group of companies (together being Icosa Water Limited and Icosa Water Services Limited). This strategic acquisition was completed in May 2020 by Last Mile Water Limited and complements the group's existing utility connection activities by providing the opportunity to adopt water & waste water connections. The directors do not anticipate any further changes in the company's activities in the forthcoming year.

Principal risks and uncertainties

The principal risks facing the company are that group companies would be unable to repay loans or the company would be unable to realise the investments carried in the company's balance sheet. To mitigate these risks, the directors monitor the performance and financial status of those group companies on an ongoing basis. The company is aware of the political uncertainty surrounding Brexit and is closely monitoring developments. This is not considered to have a significant impact on the financial statements for the period ended 31 March 2021. Notwithstanding the uncertainty surrounding the longer term impact of Covid-19 on the wider economic environment, the directors are monitoring the position closely and are satisfied that there is no financial impact on the company to the period to 31 March 2021.

Business review

The income statement for the period ended 31 March 2021 is set out on page 7. The loss for the period after taxation is £3,311,000 (2020: £1,368,000). The statement of financial position at 31 March 2021 is set out on page 8 and shows net assets of £93,225,000 (2020: £91,683,000).

On behalf of the board



M D C Helmore
Director

5 August 2021

LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Results and dividends

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Going concern

The statement of financial position of the company shows net current assets of £274,582,000 (2020: £241,212,000) and a net asset position of £93,225,000 (2020: £91,683,000).

The trading businesses within the group are also consolidated within the Last Mile Infrastructure Group Limited consolidated financial statements. In December 2018, Last Mile Infrastructure Group Limited entered into a long term financing facility, provided by a group of banks which provides sufficient funding for the trading businesses to meet their ongoing obligations and meet their growth plans for a period of at least 12 months from the date of signing of these financial statements. The facility can be drawn down as new connections are energised and based on projections, the directors are confident that Last Mile Infrastructure Group Limited will continue to operate within the limits of the facility and covenants.

At the date of signing, the directors are confident that the company has no obligations falling due within a period of at least 12 months.

After considering the above, the directors believe that the company is well placed, at the time of approving the financial statements, to manage its business risks (as detailed in the strategic report) successfully and has adequate resources to continue in operational existence for a period of at least twelve months from the signing of the financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Directors

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

M D C Helmore
S Johnson
A H Khan

Auditor

RSM UK Audit LLP were appointed as auditor to the company and in accordance with section 487 of the Companies Act 2006, RSM UK Audit LLP, is deemed to be reappointed.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



M D C Helmore
Director

5 August 2021

LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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). 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;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

Opinion

We have audited the financial statements of Last Mile Infrastructure Holdco2 Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 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. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- gaining assurance over the borrowing facilities available at the balance sheet date and in the forecast period;
- evaluating the integrity and accuracy of the cashflow forecasts prepared by management for the Group;
- assessing the appropriateness of assumptions and explanations provided by management to supporting information, where available;
- evaluating the accuracy and consistency of disclosures made in the financial statements in respect of principal risks and going concern.

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED (CONTINUED)

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.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from tax advisors. There are regulations which, while not having a direct impact on the financial statements, have an impact on the ability of parts of the Group to continue to trade. These include those regulations imposed and monitored by Ofgem and Ofwat.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

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.



Alan Aitchison (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Third Floor

Centenary House

69 Wellington Street

Glasgow

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LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

		Year ended 31 March 2021 £'000	Period ended 31 March 2020 £'000
Administrative expenses	Notes	(6)	(5)
Interest receivable and similar income	3	22,769	30,023
Interest payable and similar expenses	4	(25,725)	(31,090)
Loss before taxation		(2,962)	(1,072)
Tax on loss	5	(349)	(296)
Loss for the financial year		(3,311)	(1,368)

There are no components of other comprehensive income recognised as part of total comprehensive income outside the income statement.

The income statement has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to 18 form part of these financial statements.

LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2021**

	Notes	2021 £'000	£'000	2020 £'000	£'000
Fixed assets					
Investments	6		100,354		95,501
Current assets					
Debtors	8	275,902		244,692	
Creditors: amounts falling due within one year	9	(1,320)		(3,480)	
Net current assets			274,582		241,212
Total assets less current liabilities			374,936		336,713
Creditors: amounts falling due after more than one year	10		(281,711)		(245,030)
Net assets			93,225		91,683
Capital and reserves					
Called up share capital	11		955		914
Share premium account	12		96,949		92,137
Profit and loss reserves	12		(4,679)		(1,368)
Total equity			93,225		91,683

The financial statements were approved by the board of directors and authorised for issue on 5 August 2021 and are signed on its behalf by:



M D C Helmore
Director

LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total £'000
Balance at 10 October 2018		-	-	-	-
Period ended 31 March 2020:					
Loss and total comprehensive loss for the period		-	-	(1,368)	(1,368)
Issue of share capital	11	914	92,137	-	93,051
Balance at 31 March 2020		914	92,137	(1,368)	91,683
Year ended 31 March 2021:					
Loss and total comprehensive loss for the year		-	-	(3,311)	(3,311)
Issue of share capital	11	41	4,812	-	4,853
Balance at 31 March 2021		955	96,949	(4,679)	93,225

LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Last Mile Infrastructure Holdco2 Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Hooper Suite Building 6, Bonds Mill Estate, Stonehouse, Gloucestershire, England, GL10 3RF.

The company's principal activities and nature of its operations are disclosed in the Strategic Report.

Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' - Disclosure of financial instruments at amortised cost;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Last Mile Infrastructure (Holdings) Limited ("the group"). These consolidated financial statements are available from Companies House.

The financial statements contain information about the company as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of Last Mile Infrastructure (Holdings) Limited, a company incorporated in England.

LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

Going concern

The statement of financial position of the company shows net current assets of £274,582,000 (2020: £241,212,000) and a net asset position of £93,225,000 (2020: £91,683,000).

The trading businesses within the group are also consolidated within the Last Mile Infrastructure Group Limited consolidated financial statements. In December 2018, Last Mile Infrastructure Group Limited entered into a long term financing facility, provided by a group of banks which provides sufficient funding for the trading businesses to meet their ongoing obligations and meet their growth plans for a period of at least 12 months from the date of signing of these financial statements. The facility can be drawn down as new connections are energised and based on projections, the directors are confident that Last Mile Infrastructure Group Limited will continue to operate within the limits of the facility and covenants.

At the date of signing, the directors are confident that the company has no obligations falling due within a period of at least 12 months.

After considering the above, the directors believe that the company is well placed, at the time of approving the financial statements, to manage its business risks (as detailed in the strategic report) successfully and has adequate resources to continue in operational existence for a period of at least twelve months from the signing of the financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Financial instruments

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

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

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

Current tax

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Deferred tax assets and liabilities are not discounted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on the tax rates and laws enacted or substantially enacted at the statement of financial position date.

LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

Significant judgements and estimates

The preparation of figures in these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and judgements are continually evaluated and are based on historic information and experience. The most significant area where judgements and estimates are applied is the review for impairment, in relation to investments in subsidiaries (note 6).

2 Auditor's remuneration

	2021 £'000	2020 £'000
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	3	3
For other services		
Taxation compliance services	1	1
All other non-audit services	1	2
	2	3

These fees were borne by another group company.

3 Interest receivable and similar income

	2021 £'000	2020 £'000
Interest income		
Interest receivable from group companies	22,769	30,023

4 Interest payable and similar expenses

	2021 £'000	2020 £'000
Interest payable to group undertakings	-	462
Interest payable to parent undertakings	25,725	30,628
	25,725	31,090

LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Taxation

	2021 £'000	2020 £'000
Current tax		
Adjustments in respect of prior periods	349	-
Group tax relief	-	296
	<u>349</u>	<u>296</u>
Total current tax	<u>349</u>	<u>296</u>

The total tax charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2021 £'000	2020 £'000
Loss before taxation	(2,962)	(1,072)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(563)	(204)
Tax effect of expenses that are not deductible in determining taxable profit	552	-
Adjustments in respect of prior years	349	-
Expenses not deductible for tax purposes	-	500
Deferred tax not recognised	11	-
	<u>349</u>	<u>296</u>
Taxation charge for the year	<u>349</u>	<u>296</u>

The UK corporation tax rate was set to reduce to 17% from 1 April 2020 but subsequently amended to remain at 19% for the years starting 1 April 2020 and 1 April 2021 in the 2020 Budget.

On 24 May 2021, the UK government increased the rate of UK corporation tax rate from 19% to 25% with effect from 1 April 2023.

6 Fixed asset investments

	Notes	2021 £'000	2020 £'000
Investments in subsidiaries	7	<u>100,354</u>	<u>95,501</u>

LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £'000
Cost or valuation	
At 1 April 2020	95,501
Additions	4,853
At 31 March 2021	100,354
Carrying amount	
At 31 March 2021	100,354
At 31 March 2020	95,501

7 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Last Mile Infrastructure Group Limited	1	Holding company	Ordinary	100	-
Last Mile Holdco Limited	2	Holding company	Ordinary	-	100
Last Mile Infrastructure Limited	2	Holding company	Ordinary	-	100
Last Mile Asset Management Limited	2	Operations of Gas and Electricity Networks	Ordinary	-	100
Energetics Design & Build Limited	2	Design/Project management company	Ordinary	-	100
Last Mile Electricity Limited	2	Energy Connection company	Ordinary	-	100
Last Mile Gas Limited	2	Energy Connection company	Ordinary	-	100
Last Mile Infrastructure UK Limited	2	Holding company	Ordinary	-	100
Last Mile Meters Limited	2	Dormant	Ordinary	-	100
UK Power Solutions Limited	1	Design/project management company	Ordinary	-	65
Last Mile Water Limited	1	Holding company	Ordinary	-	69
Icosa Water Limited	3	Construction and sale of network infrastructure assets	Ordinary	-	69
Icosa Water Services Limited	3	Water and wastewater network operator	Ordinary	-	69

Registered Office addresses:

1 Hooper Suite Building 6, Bonds Mill Estate, Stonehouse, Gloucestershire, England, GL10 3RF

2 Fenick House, Lister Way, Hamilton International Technology Park, Glasgow, Scotland, G72, 0FT

LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Subsidiaries (Continued)

3 Sophia House, 28 Cathedral Road, Cardiff, CF11 9LJ

8 Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	52,689	30,023
Prepayments and accrued income	2	-
	<u>52,691</u>	<u>30,023</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	223,211	214,669
	<u>223,211</u>	<u>214,669</u>
Total debtors	<u>275,902</u>	<u>244,692</u>

9 Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Amounts owed to group undertakings	675	3,184
Group relief payable	645	296
	<u>1,320</u>	<u>3,480</u>

Amounts due to group undertakings are unsecured and interest bearing. The directors have received confirmation from the group company amounts are owed to, and are satisfied, that the requirement to settle these amounts within 12 months has been waived.

The directors have received confirmation from the group company that the Group relief payable balance is owed to, and are satisfied, that the requirement to settle this balance within 12 months has been waived.

LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Creditors: amounts falling due after more than one year

	2021 £'000	2020 £'000
Amounts owed to group undertakings	2,450	2,450
Amounts owed to parent undertaking	279,261	242,580
	<u>281,711</u>	<u>245,030</u>

Amounts owed to parent undertaking of £274,835,000 (2020: £236,654,000) are unsecured, interest bearing and not repayable until October 2033.

Amounts owed to parent undertaking of £4,426,000 (2020: £5,926,000) relate to accrued interest. Management are satisfied that this balance is not repayable for a period of a least 12 months from the date of signing the financial statements.

11 Share capital

	2021 £'000	2020 £'000
Ordinary share capital		
Issued and fully paid		
95,490,616 (2020: 91,412,733) Ordinary shares of 1p each	955	914

On the 26 May 2020, the company issued 4,077,883 £0.01 Ordinary shares for £4,852,861.

12 Profit and loss reserves

Share capital

Called-up share capital represents the nominal value of shares which have been issued.

Share premium

Premiums received on the issue of share capital. Transaction costs associated with the issue of shares are deducted from the share premium account.

Profit and loss reserves

Includes all current period retained profits and losses.

13 Related party transactions

The company has taken advantage of the exemption contained in FRS 102 Section 33.1A and has therefore not disclosed transactions with other members of the Last Mile Infrastructure (Holdings) Limited group of companies other than intercompany balances which are disclosed in the debtors and creditors notes.

LAST MILE INFRASTRUCTURE HOLDCO2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

14 Ultimate controlling party

The company's immediate parent undertaking is Last Mile Infrastructure Holdco1 Limited. The company's ultimate parent undertaking and controlling party is Infracapital.

Last Mile Infrastructure (Holdings) Limited, a company incorporated in England, is the smallest and largest group company for which group financial statements are prepared. Copies of the consolidated financial statements of Last Mile Infrastructure (Holdings) Limited can be obtained from Companies House.