

JOHN LAING LIMITED

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2019**



Registered number: 01345670

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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DIRECTORS AND ADVISERS

Directors

P O'D Bourke	- resigned 9 May 2019
O Brousse	- resigned 7 May 2020
S M Colvin	
L Germinario	- appointed 31 May 2019
C Underwood	- appointed 31 January 2019
C B Waples	- resigned 31 January 2019

Company secretary and registered office

E Martin
1 Kingsway
London
WC2B 6AN

Auditor

Deloitte LLP
Statutory Auditor
1 New Street Square
London EC4A 3BZ

Bankers

Barclays Bank PLC
1 Churchill Place
Canary Wharf
London E14 5HP

HSBC UK Bank plc
71 Queen Victoria Street
London EC4V 4AY

Australia and New Zealand Banking Group Limited
40 Bank Street
Canary Wharf
London E14 5EJ

MUFG Bank Limited
Ropemaker Place
25 Ropemaker Street
London EC2Y 9AN

Sumitomo Mitsui Banking Corporation
99 Queen Victoria Street
London EC4V 4EH

Crédit Agricole Corporate and Investment Bank
Broadwalk House
5 Appold Street
London EC2A 2DA

ABN AMRO Bank NV
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

AIB Group (UK) P.L.C.
1 Undershaft
London EC3A 8AB

National Australia Bank Limited
52 Lime Street
London EC2M 7AF

STRATEGIC REPORT

The Directors present their strategic report for John Laing Limited (the 'Company') for the year ended 31 December 2019, which has been prepared in compliance with section 414c of the Companies Act 2006. References to 'the Group' refer to John Laing Limited and its recourse group subsidiaries which hold investments in non-recourse subsidiary and joint venture project companies.

Business review

The Company was wholly-owned by John Laing Holdco Limited at 31 December 2019. The ultimate parent and controlling party of the Company is John Laing Group plc.

There has been no change in the Group's principal activities, as described in the Directors' Report, in the year under review. The Directors are not aware, at the date of this report, of any major changes in the Group's activities in the coming year.

The Company's overall strategy is to create value through investing in and managing infrastructure assets internationally. In that respect, net asset value and profit before tax are the key measures of the Company's success.

Profit before tax for the year ended 31 December 2019 was £98.5 million (2018 - £287.0 million). Net asset value at 31 December 2019 was £1,444.4 million (2018 - £1,342.9 million).

At 31 December 2019, the Group's investment portfolio comprised investments in 48 infrastructure projects. As at 31 December 2019, the fair value of the Group's investment portfolio was £1,768.2 million (2018 - £1,560.2 million). The fair value of other assets and liabilities in the Company's recourse group subsidiaries was a liability of £340.7 million (2018 - £164.3 million) primarily comprising external borrowings and loans due to John Laing Group plc, offset by cash collateral balances in respect of future investment commitments.

Further information on the financial performance and KPIs of the John Laing group is set out in the John Laing Group plc 2019 Annual Report and Accounts.

Principal risks and uncertainties

The main risks faced by the Group are liquidity, credit and price risk:

The Group's exposure to liquidity risk is mitigated because the Company is a co-borrower in the John Laing Group plc committed banking facilities. At 31 December 2019, there were net available financial resources of the Group of £314 million, including headroom on the facilities of £307 million. Utilisation of the facilities includes letters of credit issued which, together with cash collateral balances held by the Group, back all future investment commitments which at 31 December 2019 were £218.4 million. Following COVID-19, the Group has almost fully drawn down on its facilities to improve the Group's liquidity as well as to mitigate credit risk. The Group's liquidity has been maintained in the first five months of the year by the recent completion of the disposals of interests in two projects which has offset the payment by the John Laing group of staff bonuses and a dividend. With further divestment process in progress and all future capital commitments already supported by letters of credit issued under the banking facilities or cash collateral, the Directors believe there is minimal liquidity risk.

A majority of the project companies in which the Group invests receive revenue from government departments, public sector or local authority clients, directly from the public and/or from governmental support mechanisms. As a result, these projects tend not to be exposed to significant credit risk. COVID-19 is obviously having an impact on governments around the world but the projects in which the Group invests are predominantly in jurisdictions with strong and robust economies and credit. So far, the Group has seen the relevant government bodies continuing to support what to them are critical infrastructure assets. The Group works with multiple clients, joint venture partners, sub-contractors and institutional investors so as to reduce the probability of systemic counter-party risk in its investment portfolio. The Group regularly monitors counterparty risk and has made a recent assessment of this risk following the outbreak of COVID-19. In the main, the Group's major counterparties continue to remain robust with satisfactory credit but there are certain counterparties which the Group will continue to monitor closely.

The Group's investments in PPP assets have limited direct exposure to price risk. The fair value of many such project companies is dependent on the receipt of fixed fee income from government departments, public sector or local authority clients. As a result, these projects tend not to be exposed to price risk. As indicated above, the Group is not seeing any significant adverse impact from the effects of COVID-19 on these government bodies. The fair value of the Group's investments in renewable energy projects may vary with forward energy prices to the extent they are not hedged through short to medium term fixed price purchase agreements with electricity suppliers, or do not benefit from governmental support mechanisms at fixed prices. Please refer to the Directors' Report for an update on the portfolio following COVID-19.

STRATEGIC REPORT (continued)

Principal risks and uncertainties (continued)

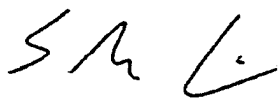
A detailed analysis of the principal risks and uncertainties faced by the John Laing group is disclosed in the 2019 Annual Report and Accounts of John Laing Group plc. Whilst there have been no change in the risks faced by the Group, the impact of certain risks - investment performance on assets under construction and assets where returns are based on factors such as future power prices and road traffic volumes; adverse changes in macroeconomic factors; counterparty risk - has heightened in the face of the COVID-19 outbreak.

For further details on the impact of COVID-19 on the Group, please refer to the Directors' Report.

Future developments

The Group seeks to benefit from further value growth and income from the investments in its portfolio, including from divestment opportunities, as well as to capitalise on future opportunities for investment in greenfield infrastructure assets.

The Strategic report was approved by the Board of Directors on 29 May 2020 and signed on its behalf by:



S M Colvin
Director
29 May 2020

DIRECTORS' REPORT

The Directors present their Annual Report and the audited financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Company is an originator, active investor in and manager of international infrastructure projects.

DIRECTORS

The Directors who served throughout the year and up to the date of this report were:

P O'D Bourke	- resigned 9 May 2019
O Brousse	- resigned 7 May 2020
S M Colvin	
L Germinario	- appointed 31 May 2019
C Underwood	- appointed 31 January 2019
C B Waples	- resigned 31 January 2019

RESULTS AND DIVIDENDS

The profit for the year before taxation amounted to £98.5 million (2018 – £287.0 million).

The Directors do not propose a final dividend for 2019 (2018 - £nil).

FINANCIAL RISK MANAGEMENT

The principal risks and uncertainties of the Company and how these are reduced or mitigated are set out in the Strategic Report.

GOING CONCERN REVIEW

The Directors have reviewed the financial projections and cash flow forecasts and believe, based on those projections and forecasts and taking into account expected bidding activity and operational performance, that it is appropriate to prepare the financial statements on the going concern basis. In arriving at their conclusion, the Directors took into account the financial resources available to it. The Company is a co-borrower in the John Laing Group plc committed banking facilities comprising £500 million corporate banking facilities committed until July 2023 and an additional £150 million facilities committed until January 2022. At 31 December 2019, there were net available financial resources of £314 million, including headroom on the facilities of £307 million. Utilisation of the facilities includes letters of credit issued which, together with cash collateral balances held by the Group, back all future investment commitments which at 31 December 2019 were £218.4 million. Investments into project companies are made on a non-recourse basis, which means that providers of debt to such project companies do not have recourse to the Group beyond its investment. Following COVID-19, the Group has almost fully drawn down on its facilities to improve the Group's liquidity as well as to mitigate credit risk. The Group's liquidity has been maintained in the first five months of the year by the recent completion of the disposals of interests in two projects which has offset the payment by the John Laing group of staff bonuses and a dividend. With further divestment processes in progress and all future capital commitments of £218.4 million already supported by letters of credit issued under the banking facilities or cash collateral, the Directors believe the the Company will be able to operate within its banking facilities and comply with the financial covenants therein for the foreseeable future. In determining that the Company is a going concern, certain risks and uncertainties, some of which arise or increase as a result of the economic environment in some of the Company's markets, have been considered. This includes the running of various sensitivities on the Company's cash flow projections including up to a six month delay in planned disposals and reductions in the valuation of investments. The Directors have also considered various mitigating actions that could be undertaken to maintain liquidity including a delay in future investments in order to preserve cash and liquidity. After making this assessment, the Directors believe that the Company is adequately placed to manage these risks. The Company's policies for management of its exposure to financial risks, including liquidity, foreign exchange, credit, price and interest rate risks, are set out in note 15.

PORTFOLIO UPDATE FOLLOWING COVID-19

The Company's investment portfolio comprises investments in PPP and renewable energy assets, a large proportion of which have fixed revenue and returns. The main impact of lockdown following COVID-19 arises on assets under construction, where construction delays can lead to lower returns and values depending on the length of the delay and assets where returns are based on factors such as future power prices and road traffic volumes.

For our primary portfolio, comprised of assets under construction, only two of our 16 projects have experienced complete site closure and both are preparing to re-open, subject to appropriate workplace protocols. Elsewhere, construction works have continued albeit with some delays due to reduced staffing levels and availability of materials. The impact to the Group from these delays is partially mitigated by the transfer of construction delay risks to sub-contractors, supported by appropriate security packages, as well as some buffer in construction programmes. Our largest asset, IEP Phase 2, remains on track with 53 out of 65 trains having achieved qualified acceptance. The Group therefore does not anticipate a material impact on the valuation of its construction assets.

Our secondary portfolio, comprised of operational assets, is well positioned given its bias towards availability-based PPPs as well as wind and solar projects, the majority of which have long term off-take agreements in place. Asset availability has been maintained in-line with expectations. Only two of the 32 operational assets the Group held investments in at 31 December 2019 are volume based, the I-77 Managed Lanes project in the US and the A130 road project in the UK (c50% of revenue exposed to volume). Although both have seen significant reductions in traffic, the valuation for the I-77 in particular is based on a long concession period which means it is insulated from short-term effects. The impact on these projects is therefore not anticipated to be material.

DIRECTORS' REPORT (continued)

PORTFOLIO UPDATE FOLLOWING COVID-19 (continued)

The Group is continually looking at opportunities to increase the value of its investments through value enhancements on specific projects which will improve the future value of the investment portfolio. For the portfolio as a whole, progress with value enhancements has been modest, with operational improvements hampered by the lockdown. Credit market movements have eroded some of the upside from opportunistic refinancing. For those SPVs with short-term debt, none have any requirement to refinance in 2020 and we continue to monitor the market closely.

Overall, while certain of the Group's assets have been impacted by the lockdown, this impact is not expected to be significant in the context of the investment valuation at 31 December 2019 of £1,768.2 million.

Investments and realisations:

The majority of investment opportunities are subject to public procurement processes and, with public bodies in most geographies focused on the immediate crisis, we have seen some slippage of investments timing from 2020 into 2021. On the other hand, the current environment also creates scope for late-stage entries and M&A opportunities that are not yet reflected in the pipeline.

The Group has still been able to make progress on its divestment programme and has recently completed the sales of its interest in Auckland South Corrections Facility and its interest in the Buckthorn Wind Farm and has agreed the sale of its interests in its French wind farm portfolio - Pasilly, Sommette and St Martin. The Group continues to progress its other divestment plans, albeit the logistical challenges of lockdown, including conducting onsite due diligence, could cause some delays. While it is too early to fully understand the impact of COVID-19 on secondary markets, the combination of a weak macro-economic outlook and lower interest rates should serve to highlight the attractions of our assets, particularly those which are availability-based. Moreover, the Group's strong financial position gives us flexibility to ensure it maximises value.

In summary, while the Group's investments pipeline remains strong, consistent with the 2019 year end position, and it has continued to progress its divestments programme, it is too early to fully assess the impact of the crisis on timing for both.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Directors of the Company benefit from qualifying third party indemnity provisions provided by one of the Company's parent undertakings.

DIRECTORS' INSURANCE

The Company's Directors are covered by insurance policies entered into by its ultimate parent undertaking, John Laing Group plc, that insure them against liability arising from negligence, breach of duty and breach of trust in relation to the Company.

FUTURE DEVELOPMENTS

Details of future developments and events that have occurred after the balance sheet date can be found in the Strategic Report and form part of this report by cross-reference.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a Director at the date of approval of this report confirms that:

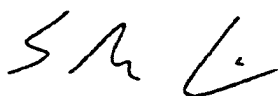
- as far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of Section 418 of the Companies Act 2006.

AUDITOR

Deloitte LLP have indicated their willingness to be reappointed as auditor and appropriate arrangements have been put in place for them to be deemed appointed as auditor in the absence of an Annual General Meeting.

The Directors' Report was approved by the Board of Directors on 29 May 2020 and signed on its behalf by:



S M Colvin
Director
29 May 2020

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 International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). 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 year.

In preparing the financial statements, International Accounting Standard 1 requires that the Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.


Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company taken as a whole, together with a description of the principal risks and uncertainties that it faces.
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 29 May 2020 and is signed on its behalf by:



S M Colvin
Director
29 May 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN LAING LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of John Laing Limited (the 'Company') :

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Income Statement;
- the Statement of Changes in Equity;
- the Balance Sheet;
- the Cash Flow Statement;
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN LAING LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

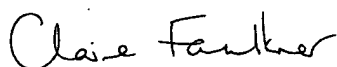
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members 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, for our audit work, for this report, or for the opinions we have formed.



Claire Faulkner FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
29 May 2020

JOHN LAING LIMITED

INCOME STATEMENT

for the year ended 31 December 2019

		2019	2018
	Notes	£ million	£ million
Interest income	5	1.9	5.4
Dividend income		25.0	25.0
Net gain on investments at fair value through profit or loss	11	58.9	290.8
Other income		1.1	0.9
Operating income		86.9	322.1
Administrative expenses		0.3	(5.1)
Other gains/(losses)	6	11.5	(25.9)
Profit from operations	7	98.7	291.1
Finance costs	9	(0.2)	(4.1)
Profit before tax		98.5	287.0
Tax credit	10	3.0	4.2
Profit for the year		101.5	291.2
Attributable to:			
Owner of the Company		101.5	291.2
		101.5	291.2

All results are derived from continuing operations.

There are no items of other comprehensive income in both the current and preceding period, and therefore no separate Statement of Comprehensive Income has been presented.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2019

	Share capital	Retained earnings	Total equity
	£ million	£ million	£ million
Balance at 1 January 2019	-	1,342.9	1,342.9
Profit for the year	-	101.5	101.5
Total comprehensive income for the year	-	101.5	101.5
Balance at 31 December 2019	-	1,444.4	1,444.4

	Share capital	Retained earnings	Total equity
	£ million	£ million	£ million
Balance at 1 January 2018	-	1,051.7	1,051.7
Profit for the year	-	291.2	291.2
Total comprehensive income for the year	-	291.2	291.2
Balance at 31 December 2018	-	1,342.9	1,342.9

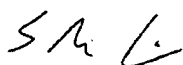
JOHN LAING LIMITED

BALANCE SHEET

as at 31 December 2019

		2019	2018
	Notes	£ million	£ million
Non-current assets			
Investments at fair value through profit or loss	11	1,427.5	1,395.9
		<u>1,427.5</u>	<u>1,395.9</u>
Current assets			
Trade and other receivables	12	21.0	1.0
Current tax assets		4.7	11.2
Derivative financial instruments		0.7	0.9
Cash and cash equivalents		0.1	-
		<u>26.5</u>	<u>13.1</u>
Total assets		<u>1,454.0</u>	<u>1,409.0</u>
Current liabilities			
Trade and other payables	13	(2.5)	(11.2)
Borrowings		(7.0)	(14.5)
Derivative financial instruments		(0.1)	(0.3)
		<u>(9.6)</u>	<u>(26.0)</u>
Net current assets/(liabilities)		<u>16.9</u>	<u>(12.9)</u>
Non-current liabilities			
Provisions	16	-	(40.1)
		<u>-</u>	<u>(40.1)</u>
Total liabilities		<u>(9.6)</u>	<u>(66.1)</u>
Net assets		<u>1,444.4</u>	<u>1,342.9</u>
Equity			
Share capital	17	-	-
Retained earnings		1,444.4	1,342.9
Equity attributable to owner of the Company		<u>1,444.4</u>	<u>1,342.9</u>
Total equity		<u>1,444.4</u>	<u>1,342.9</u>

The financial statements of John Laing Limited, registered number 01345670, were approved by the Board of Directors and authorised for issue on 29 May 2020. They were signed on its behalf by:



S M Colvin
Director
29 May 2020

CASH FLOW STATEMENT

for the year ended 31 December 2019

		2019	2018
	Notes	£ million	£ million
Net cash outflow from operating activities	18	(29.6)	(30.5)
Investing activities			
Interest received		-	0.1
Net cash transferred from investments held at fair value through profit or loss		59.2	15.3
Net cash from investing activities		59.2	15.4
Financing activities			
Interest paid		(0.1)	(0.1)
Net movement of loans with parent undertaking		(24.3)	1.9
Net movement in loans with fellow group undertakings		1.2	(1.2)
(Repayment of)/proceeds from borrowings		(7.5)	14.5
Net cash (used in)/from financing activities		(30.7)	15.1
Net decrease in cash and cash equivalents		(1.1)	-
Cash and cash equivalents at beginning of the year		-	-
Effect of foreign exchange rate changes		1.2	-
Cash and cash equivalents at end of the year		0.1	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

1 General information

John Laing Limited (the "Company" or the "Group") is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The registered office of the Company is 1 Kingsway, London, WC2B 6AN. The principal activity of the Company is the origination, investment in and management of international infrastructure projects.

2 Adoption of new and revised standards***New and amended IFRS that are effective for the current year***

In 2019, the Company adopted two new IFRS, together with a number of amendments to IFRS and Interpretations, issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2019 (and have been endorsed for use within the EU).

- IFRS 16 *Leases*
- Amendments to IFRS 9 *Prepayment Features with Negative Compensation*
- Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures
- Annual Improvements to IFRS 2015 – 2017 Cycle: Amendments to IFRS 3 *Business Combinations*, IFRS 11 *Joint Arrangements*, IAS 12 *Income Taxes* and IAS 23 *Borrowing Costs*
- Amendments to IAS 19 *Employee Benefits*: Plan Amendment, Curtailment and Settlement
- IFRIC 23 *Uncertainty over Income Tax Treatments*

The amendments and interpretations do not have an impact on the financial statements of the Company.

New and amended IFRS standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised standards that have been issued but are not yet effective and in some cases had not yet been adopted by the EU:

- IFRS 17 *Insurance Contracts*
- IFRS 10 and IAS 28 (amendments) *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to IFRS 3 *Definition of a business*
- Amendments to IAS 1 and IAS 8 *Definition of material*
- Conceptual Framework *Amendments to References to the Conceptual Framework in IFRS Standards*

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

3 Significant accounting policies**a) Basis of preparation**

The financial statements have been prepared in accordance with IFRS as adopted by the EU and are presented in pounds sterling. The Company's financial statements have been prepared on the historical cost basis except for the revaluation of the investment portfolio and other financial instruments that are measured at fair value at the end of each reporting period. The Company has concluded that it meets the definition of an investment entity as set out in IFRS 10 *Consolidated Financial Statements*, paragraph 27 on the following basis:

- (i) the Company's ultimate parent company is listed on the London Stock Exchange, which is owned by a number of investors;
- (ii) the Company holds a substantial portfolio of investments in project companies through its investment in John Laing Investments Limited and intermediate holding companies. The underlying projects have a finite life and the Company has an exit strategy for its investments which is either to hold them to maturity or, if appropriate, to divest them. Investments in project companies take the form of equity and/or subordinated debt;
- (iii) the Company's business model is to originate, invest in, and actively manage infrastructure assets. It invests in PPP and renewable energy projects and aims to deliver predictable returns and consistent growth from its investment portfolio. The underlying project companies have businesses and activities that the Company is not directly involved in. The Company's returns from the provision of management services are small in comparison to the Company's overall investment-based returns; and
- (iv) the Company measures its investments on a fair value basis. Information on the fair value of investments forms part of monthly management reports reviewed by the Executive Committee of John Laing Group plc, who are considered to be the Company's key management personnel, and by its Board of Directors.

Investment entities are required to account for all investments in controlled entities, as well as investments in associates and joint ventures, at FVTPL.

Project companies in which the Company invests are described as "non-recourse", which means that providers of debt to such project companies do not have recourse to John Laing beyond its equity and/or subordinated debt commitments in the underlying projects.

Subsidiaries through which the Company holds its investments in project companies, which are held at FVTPL are described as "recourse".

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3 Significant accounting policies (continued)**a) Basis of preparation (continued)**

Unconsolidated project company subsidiaries are part of the non-recourse business. Based on arrangements in place with those subsidiaries, the Company has concluded that there are no:

- a) significant restrictions (resulting from borrowing arrangements, regulatory requirements or contractual arrangements) on the ability of an unconsolidated subsidiary to transfer funds to the Company in the form of cash dividends or to repay loans or advances made to the unconsolidated subsidiary by the Company; and
- b) current commitments or intentions to provide financial or other support to an unconsolidated subsidiary, including commitments or intentions to assist the subsidiary in obtaining financial support, beyond the Company's original investment commitment.

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

b) Going concern

The Directors have reviewed the financial projections and cash flow forecasts and believe, based on those projections and forecasts and taking into account expected bidding activity and operational performance, that it is appropriate to prepare the financial statements on the going concern basis. In arriving at their conclusion, the Directors took into account the financial resources available to it. The Company is a co-borrower in the John Laing Group plc committed banking facilities comprising £500 million corporate banking facilities committed until July 2023 and an additional £150 million facilities committed until January 2022. At 31 December 2019, there were net available financial resources of £314 million, including headroom on the facilities of £307 million. Utilisation of the facilities includes letters of credit issued which, together with cash collateral balances held by the Group, back all future investment commitments which at 31 December 2019 were £218.4 million. Investments into project companies are made on a non-recourse basis, which means that providers of debt to such project companies do not have recourse to the Group beyond its investment. Following COVID-19, the Group has almost fully drawn down on its facilities to improve the Group's liquidity as well as to mitigate credit risk. The Group's liquidity has been maintained in the first five months of the year by the recent completion of the disposals of interests in two projects which has offset the payment by the John Laing group of staff bonuses and a dividend. With further divestment processes in progress and all future capital commitments of £218.4 million already supported by letters of credit issued under the banking facilities or cash collateral, the Directors believe the the Company will be able to operate within its banking facilities and comply with the financial covenants therein for the foreseeable future. In determining that the Company is a going concern, certain risks and uncertainties, some of which arise or increase as a result of the economic environment in some of the Company's markets, have been considered. This includes the running of various sensitivities on the Company's cash flow projections including up to a six month delay in planned disposals and reductions in the valuation of investments. The Directors have also considered various mitigating actions that could be undertaken to maintain liquidity including a delay in future investments in order to preserve cash and liquidity. After making this assessment, the Directors believe that the Company is adequately placed to manage these risks. The Company's policies for management of its exposure to financial risks, including liquidity, foreign exchange, credit, price and interest rate risks, are set out in note 15.

c) Revenue

The key accounting policies for the Company's material revenue streams are as follows:

(i) Interest income

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

(ii) Dividend income

Dividend income from investments is recognised when the Company's rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Dividend income is recognised gross of withholding tax, if any, and only when approved and paid by the relevant company.

(iii) Net gain on investments at FVTPL

Net gain on investments at FVTPL excludes dividend income referred to above. Please refer to accounting policy e)(i) for further detail.

(iv) Other income

Other income represents income receivable in the ordinary course of business for services provided and excludes value added tax. Revenue is recognised to the extent the services are provided.

d) Dividend payments

Dividends on the Company's ordinary shares are recognised when they have been appropriately authorised and are no longer at the Company's discretion. Accordingly dividends are recognised when they are paid. Dividends are recognised as an appropriation of shareholder's funds.

e) Financial instruments

Financial assets and financial liabilities are recognised on the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3 Significant accounting policies (continued)**e) Financial instruments (continued)***(i) Financial assets*

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial asset; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at FVTPL.

The financial assets that the Company holds are classified as follows:

- Investments at FVTPL are measured subsequently at FVTPL.

Investments at FVTPL comprise the Company's investment in John Laing Investments Limited (through which the Company indirectly holds its investments in projects) which is valued based on the fair value of investments in project companies and other assets and liabilities of investment entity subsidiaries. Investments in project companies are recognised as financial assets at FVTPL. Subsequent to initial recognition, investments in project companies are measured on a combined basis at fair value principally using discounted cash flow methodology.

The Directors consider that the carrying value of other assets and liabilities held in investment entity subsidiaries approximates to their fair value, with the exception of derivatives which are measured in accordance with accounting policy e)(v).

Changes in the fair value of the Company's investment in John Laing Investments Limited are recognised within operating income in the Income Statement.

- Trade and other receivables and cash and cash equivalents are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised in profit or loss within operating income in the Income Statement.

- Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with original maturities of three months or less. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash and short-term deposits as defined above, net of bank overdrafts, where there is a right to offset against corresponding cash balances.

Deposits held with original maturities of greater than three months are shown as other financial assets.

(ii) Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

(iii) Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3 Significant accounting policies (continued)**e) Financial instruments (continued)***(iv) Financial liabilities and equity**Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

The Group's financial liabilities, which comprise interest-bearing loans and borrowings and trade and other payables, are all measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest-bearing bank loans and borrowings are initially recorded at fair value, being the proceeds received net of direct issue costs, and subsequently at amortised cost using the effective interest method. Finance charges, including premiums payable on settlement or redemption, and direct issue costs are accounted for on an accruals basis in the Income Statement and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(v) Derivative financial instruments

The Company treats forward foreign exchange contracts and currency swap deals it enters into as derivative financial instruments at FVTPL. Changes in the fair value of these instruments are taken through the Income Statement and are recognised in other gains and losses.

f) Provisions

Provisions are recognised when:

- the Company has a legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required on settlement is determined by considering the class of obligations as a whole.

g) Finance costs

Finance costs relating to the corporate banking facilities, other than set-up costs, and interest on loans from John Laing group entities are recognised in the year in which they are incurred. Set-up costs are recognised over the remaining facility term.

h) Taxation

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

Current tax

Current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes both items of income or expense that are taxable or deductible in other years and 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 Balance Sheet date.

Deferred tax

Deferred tax liabilities are recognised in full for taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will arise to allow all or part of the assets 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 to 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 there is a legally enforceable right to set off current tax assets and current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

3 Significant accounting policies (continued)**i) Foreign currencies**

Monetary assets and liabilities expressed in foreign currency (including investments measured at fair value) are reported at the rate of exchange prevailing at the balance sheet date or, if appropriate, at the forward contract rate. Any difference arising on the retranslation of these amounts is taken to the Income Statement with foreign exchange movements on investments measured at fair value recognised in operating income as part of net gain on investments at FVTPL. Income and expense items are translated at the average exchange rates for the period.

j) Share capital

Ordinary shares are classified as equity instruments on the basis that they evidence a residual interest in the assets of the Company after deducting all its liabilities.

Incremental costs directly attributable to the issue of new ordinary shares are recognised in equity as a deduction, net of tax, from the proceeds in the period in which the shares are issued.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities. The key areas of the financial statements where the Company is required to make critical judgements and material accounting estimates (which are those estimates where there is a risk of material adjustments in the next reporting period) are in respect of the fair value of investments and accounting for liabilities of John Laing Group's defined benefit schemes to which the Company is the sponsoring and principal employer and against which the Company has provided a guarantee (see note 16).

Fair value of investments***Critical accounting judgements in applying the Company's accounting policies***

The Company measures its investment in John Laing Investments Limited at fair value. Fair value is determined based on the fair value of investments in project companies (together the Company's investment portfolio) and other assets and liabilities of investment entity subsidiaries. A full valuation of the Company's investment portfolio is prepared on a consistent, principally discounted cash flow basis, at 30 June and 31 December. The key inputs, therefore, to the valuation of each investment are (i) the discount rate; and (ii) the cash flows forecast to be received from such investment. Under the Company's valuation methodology, a base case discount rate for an operational project is derived from secondary market information and other available data points. The base case discount rate is then adjusted to reflect additional project-specific risks. In addition a risk premium is added to reflect the additional risk during the construction phase.

The construction risk premium reduces over time as the project progresses through its construction programme, reflecting the significant reduction in risk once the project reaches the operational stage. The valuation assumes that forecast cash flows are received until maturity of the underlying assets. The cash flows on which the discounted cash flow valuation is based are those forecast to be distributable to the Group at each balance sheet date, derived from detailed project financial models. These incorporate a number of assumptions with respect to individual assets, including: dates for construction completion; value enhancements; the terms of project debt refinancing (where applicable); the outcome of any disputes; the level of volume-based revenue; future rates of inflation and, for renewable energy projects, energy yield and future energy prices. Value enhancements are only incorporated when the Company has sufficient evidence that they can be realised. The COVID-19 outbreak is a non-adjusting post balance sheet event and the Directors will form a judgement as to the impact of COVID-19 on the value of its investments in 2020.

Key sources of estimation uncertainty

A key source of estimation uncertainty in valuing the investment portfolio is the discount rate applied to forecast project cash flows. A base case discount rate for an operational project is derived from secondary market information and other available data points. The base case discount rate is then adjusted to reflect project-specific risks. In addition a risk premium is added during the construction phase to reflect the additional risks throughout construction. This premium reduces over time as the project progresses through its construction programme, reflecting the significant reduction in risk once the project reaches the operational stage. The discount rates applied to investments at 31 December 2019 were in the range of 6.4% to 12.4% (31 December 2018 – 6.8% to 11.7%). Note 15 provides details of the weighted average discount rate applied to the investment portfolio as a whole and sensitivities to the investment portfolio value from changes in discount rates.

The key sources of estimation uncertainty present in the forecast cash flows to be received from investments are the forecasts of marginal loss factors impacting Australian wind and solar generation assets, future energy prices and energy yields impacting all renewable energy projects and forecasts for long-term inflation across the whole portfolio. Note 15 provides details of the sensitivities to the investment portfolio value from changes in forecast energy prices, marginal loss factors, energy yields and forecast long-term inflation. The Company does not consider the other factors that affect cash flows, as described in the critical accounting judgements in applying the Company's accounting policies above, to be key sources of estimation uncertainty. They are based either on reliable data or the Company's experience and individually not considered likely to deviate materially year on year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Onerous contract in relation to pension and other post-retirement liability accounting*Critical judgements in applying the Company's accounting policies*

As explained in note 16 to the financial statements, any net liability of the John Laing group retirement benefit obligations is recognised as an onerous contract. There was an accounting surplus in the defined benefit pension schemes and an accounting loss in the post-retirement medical scheme at 31 December 2019 with a net surplus of of £5.6 million (31 December 2018 - deficit £40.1 million). In determining the defined benefit pension liability, consideration is given to whether there is a minimum funding requirement under IFRIC 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* which is in excess of the IAS 19 *Employee Benefits* liability. If the minimum funding requirement is higher, an additional liability would need to be recognised. Under the trust deed and rules of the John Laing Pension Fund (JLPF), the Company has an ultimate unconditional right to any surplus, accordingly the excess of the minimum funding requirement over the IAS 19 *Employee Benefits* liability has not been recognised as an additional liability.

Key sources of estimation uncertainty

The value of the retirement benefit obligations is highly dependent on key assumptions including price inflation, discount rate and life expectancy. The assumptions applied at 31 December 2019 and the sensitivity of the pension liabilities to certain changes in these assumptions are shown in note 19 to the group financial statements of John Laing Group plc.

5 Interest income

	2019	2018
	£ million	£ million
Interest from ultimate parent undertakings	0.3	-
Interest from fellow group undertakings	0.4	0.3
Interest from subsidiary undertakings	1.2	5.0
Interest on bank deposits	-	0.1
Total interest income	1.9	5.4

6 Other gains/(losses)

	2019	2018
	£ million	£ million
Onerous contract in respect of retirement benefit obligations (note 16)	10.9	(26.4)
Change in fair value of derivative financial instruments	0.6	0.5
Other gains/(losses)	11.5	(25.9)

7 Profit from operations

	2019	2018
	£ million	£ million
Profit from operations has been arrived at after expensing:		
Fees payable to the Company's auditor and its associates		
- Audit of the Company and the Company's subsidiaries	(0.1)	(0.1)
Total audit fees	(0.1)	(0.1)
Net foreign exchange gain/(loss)	0.8	(3.5)

The fees payable to the Company's auditor for the audit of the Company's annual accounts were £15,200 (2018 - £14,798). The fees payable to the Company's auditor and affiliates for audit of the annual accounts of the Company's subsidiaries were £89,265 (2018 - £96,595).

The net foreign exchange gain/(loss) mainly arose on foreign exchange forward contracts used to hedge non-Sterling denominated investments and related cash flows.

8 Employees

	2019	2018
	£ million	£ million
<u>Employee costs comprise:</u>		
Salaries	0.5	0.6
Social security costs	0.1	0.1
Pension charge - defined contribution	0.1	0.1
Share based payments	0.1	-
	0.8	0.8

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

8 Employees (continued)

Annual average employee numbers (including Directors):

	2019	2018
	No.	No.
Staff	7	8
UK	7	8
Activity		
Central support services	7	8

The remuneration of Directors of the Company, except S M Colvin and C Underwood, is disclosed in the John Laing Group plc 2019 Annual Report and Accounts, which are publicly available. The services of S M Colvin and C Underwood attributable to the Company cannot be distinguished from those provided to the John Laing Group as a whole. Therefore, no separate disclosure of their remuneration has been made.

9 Finance costs

	2019	2018
	£ million	£ million
Interest on bank overdrafts and loans	(0.1)	(0.1)
Interest on loans from ultimate parent undertakings	-	(4.0)
Interest on loans from fellow subsidiary undertakings	(0.1)	-
Total finance costs	(0.2)	(4.1)

10 Tax credit

The tax credit for the year comprises:

	2019	2018
	£ million	£ million
Current tax:		
UK corporation tax credit -current year	4.3	5.1
UK corporation tax charge - prior year	(1.3)	(0.9)
Tax credit	3.0	4.2

The tax credit for the period can be reconciled to the profit in the Income Statement as follows:

	2019	2018
	£ million	£ million
Profit before tax	98.5	287.0
Tax at the UK corporation tax rate	(18.7)	(54.5)
Tax effect of dividend income not taxable	4.8	4.8
Non-taxable movement on fair value of investments	11.2	55.3
Provision for onerous contract not taxable	-	-
Reversal of timing differences	7.6	5.0
Tax losses not recognised	(0.6)	(5.5)
Prior year - current tax charge	(1.3)	(0.9)
Total tax credit	3.0	4.2

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

10 Tax credit (continued)

For the year ended 31 December 2019, a tax rate of 19% has been applied (2018 – 19%). The reversal of the reduction of the main rate of corporation tax from 19% to 17%, effective from 1 April 2020, was substantively enacted by the Budget resolutions passed on 17 March 2020.

11 Investments at fair value through profit or loss

	31 December 2019				
	Investments in	Listed	Portfolio	Other assets	Total
	project companies	investments	valuation sub-total	and liabilities	
	£ million	£ million	£ million	£ million	£ million
Opening balance	1,550.3	9.9	1,560.2	(164.3)	1,395.9
Distributions	(57.0)	(0.5)	(57.5)	57.5	-
Investment in equity and loans	267.1	-	267.1	(267.1)	-
Realisations from investment portfolio	(131.6)	(11.1)	(142.7)	142.7	-
Fair value movement	139.4	1.7	141.1	(50.3)	90.8
Net cash transferred to investments at FVTPL	-	-	-	(59.2)	(59.2)
Closing balance	1,768.2	-	1,768.2	(340.7)	1,427.5

	31 December 2018				
	Investments in	Listed	Portfolio	Other assets	Total
	project companies	investments	valuation sub-total	and liabilities	
	£ million	£ million	£ million	£ million	£ million
Opening balance	1,183.5	10.3	1,193.8	(108.7)	1,085.1
Distributions	(33.2)	(0.6)	(33.8)	33.8	-
Investment in equity and loans	342.1	-	342.1	(342.1)	-
Realisations from investment portfolio	(296.1)	-	(296.1)	296.1	-
Fair value movement	354.0	0.2	354.2	(28.1)	326.1
Net cash transferred to investments at FVTPL	-	-	-	(15.3)	(15.3)
Closing balance	1,550.3	9.9	1,560.2	(164.3)	1,395.9

The fair value movement of £90.8 million (2018 - £326.1 million) is presented in the Income Statement as: net gain on investments at FVTPL of £58.9 million (2018 - £290.8 million), £25.0 million (2018 - £25.0 million) of dividend income, £1.2 million (2018 - £5.0 million) within interest income, £0.1 million loss (2018 - £0.1 million) within finance costs and £5.8 million within tax credit (2018 - £5.4 million).

Included within other assets and liabilities at 31 December 2019 above is a loan payable to the ultimate parent undertaking of the Company of £212.3 million and cash borrowings of £232.0 million offset by loans receivable from subsidiaries of John Laing Group plc of £61.2 million and cash balances of £123.4 million including cash collateral of £117.6 million in respect of future investment commitments.

As at 31 December 2019 the Group held investments in 42 overseas projects (31 December 2018 - 42 overseas projects). The fair value movement in 2019 included a foreign exchange loss of £57.4 million (2018 - £9.7 million gain).

The investment realisations that have occurred in the current and prior year are as follows:

Year ended 31 December 2019

During the year ended 31 December 2019, the Group disposed of its interests in two PPP and two renewable energy project companies for £131.6 million as well as its holding in JLEN.

Details were as follows:

	Date of completion	Original holding %	Holding disposed of %	Retained holding %
Westadium Project Holdco Pty Limited	11 March 19	50.0	50.0	-
John Laing Rocksprings Wind HoldCo Corp	2 May 19	95.3	95.3	-
John Laing Sterling Wind HoldCo Corp	2 May 19	92.5	92.5	-
A1 mobil GmbH & Co. KG	25 November 19	42.5	42.5	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

11 Investments at fair value through profit or loss (continued)**Year ended 31 December 2018**

During the year ended 31 December 2018, the Group disposed of shares and subordinated debt in three PPP project companies for £296.1 million.

Details were as follows:

	Date of completion	Original holding %	Holding disposed of %	Retained holding %
Regenter Myatts Field North Holdings Company Limited	30 May 18	50.0	50.0	-
Agility Trains West (Holdings) Limited	18 May 18	15.0	15.0	-
INEOS Runcorn (TPS) Holding Limited	21 December 18	37.4	37.4	-

12 Trade and other receivables

	31 December 2019 £ million	31 December 2018 £ million
Amounts owed by ultimate parent undertaking	20.5	-
Amounts owed by fellow subsidiary undertakings	0.5	1.0
	21.0	1.0

Amounts owed by ultimate parent undertaking comprise a loan of £20.2 million (2018 - £nil) and interest of £0.3 million (2018 - £nil). Amounts owed by fellow subsidiary undertakings comprise a loan of £9.2 million (2018 - £10.4 million), associated interest of £0.4 million (2018 - £0.3 million) less a provision for impairment of £9.1 million (2018 - £9.7 million).

The loans and associated interest are repayable on demand. Interest was charged on the loan to fellow subsidiary undertakings at 1.5% above the Canadian dollar base rate. Interest was charged on the loan to the ultimate parent undertaking at 2% above base rate.

In the opinion of the Directors the fair value of trade and other receivables is equal to the carrying value.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	31 December 2019 £ million	31 December 2018 £ million
Sterling	20.6	-
Canadian dollar	0.4	1.0
	21.0	1.0

13 Trade and other payables

	31 December 2019 £ million	31 December 2018 £ million
Current liabilities		
Amounts owed to ultimate parent undertaking	-	(7.4)
Amounts owed to fellow subsidiary undertakings	(1.7)	(2.8)
Other taxation and social security	(0.1)	(0.1)
Accruals	(0.7)	(0.9)
	(2.5)	(11.2)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

13 Trade and other payables (continued)

Amounts owed to ultimate parent undertaking comprise a loan of £nil (2018 - £3.5 million) and associated interest of £nil (2018 - £3.9 million).

Amounts owed to fellow subsidiary undertakings comprise a loan of £1.1 million (2018 - £2.5 million) and trade creditor balances of £0.6 million (2018 - £0.3 million). The loan and associated interest are payable on demand. Trade creditor balances are payable on commercial terms and no interest is charged.

Interest was charged on the loan at 2% above base rate (2018 - 2.5% above base rate from 1 January 2018 to 21 April 2018, 3% above base rate from 22 April 2018 to 24 July 2018 and 2% above base rate from 25 July 2018 to 31 December 2018).

14 Financial instruments

a) Financial instruments by category

	Financial assets at amortised cost	Assets at fair value through profit or loss	Derivatives that do not qualify for hedge accounting	Financial liabilities at amortised cost	Total
	£ million n/a	£ million Level 1 /Level 3	£ million Level 2	£ million n/a	£ million
Fair value measurement method					
31 December 2019					
Non-current assets					
Investments at fair value through profit or loss*	-	1,427.5	-	-	1,427.5
Current assets					
Trade and other receivables	21.0	-	-	-	21.0
Derivative financial instruments	-	-	0.7	-	0.7
Cash and cash equivalents	0.1	-	-	-	0.1
Total financial assets	21.1	1,427.5	0.7	-	1,449.3
Current liabilities					
Interest-bearing loans and borrowings	-	-	-	(7.0)	(7.0)
Trade and other payables	-	-	-	(2.4)	(2.4)
Derivative financial instruments	-	-	(0.1)	-	(0.1)
Total financial liabilities	-	-	(0.1)	(9.4)	(9.5)
Net financial instruments	21.1	1,427.5	0.6	(9.4)	1,439.8

	Financial assets at amortised cost	Assets at fair value through profit or loss	Derivatives that do not qualify for hedge accounting	Financial liabilities at amortised cost	Total
	£ million n/a	£ million Level 1 /Level 3	£ million Level 2	£ million n/a	£ million
Fair value measurement method					
31 December 2018					
Non-current assets					
Investments at fair value through profit or loss*	-	1,395.9	-	-	1,395.9
Current assets					
Trade and other receivables	1.0	-	-	-	1.0
Derivative financial instruments	-	-	0.9	-	0.9
Total financial assets	1.0	1,395.9	0.9	-	1,397.8
Current liabilities					
Interest-bearing loans and borrowings	-	-	-	(14.5)	(14.5)
Trade and other payables	-	-	-	(11.1)	(11.1)
Derivative financial instruments	-	-	(0.3)	-	(0.3)
Total financial liabilities	-	-	(0.3)	(25.6)	(25.9)
Net financial instruments	1.0	1,395.9	0.6	(25.6)	1,371.9

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for the year ended 31 December 2019

14 Financial instruments (continued)

* Investments at FVTPL are split between: Level 1, JLEN, which is a listed investment fair valued at £nil (31 December 2018 - £9.9 million) using quoted market prices; and Level 3 investments in project companies fair valued at £1,768.2 million (2018 - £1,550.3 million). Level 1 and Level 3 investments are fair valued in accordance with the policy and assumptions set out in note 3e). The investments at FVTPL include other assets and liabilities as shown in note 11. Such other assets and liabilities are recorded at amortised cost which the Directors believe approximates to their fair value. These assets and liabilities are Level 3.

The tables above provide an analysis of financial instruments that are measured subsequent to their initial recognition at fair value.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers of financial instruments between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

Reconciliation of Level 3 fair value measurement of financial assets and liabilities

An analysis of the movement between opening and closing balances of assets at FVTPL is given in note 11. Level 3 financial assets are those relating to investments in project companies.

All items in the above tables are measured at amortised cost other than the investments at FVTPL. The Directors believe that the amortised cost of these financial assets and liabilities approximates to their fair value.

b) Foreign currency and interest rate profile of financial assets other than investments at FVTPL

	31 December 2019			31 December 2018		
	Financial assets			Financial assets		
	Floating rate	Non-interest bearing	Total	Floating rate	Non-interest bearing	Total
Currency	£ million	£ million	£ million	£ million	£ million	£ million
Sterling	20.2	0.4	20.6	-	-	-
Canadian dollar	-	0.5	0.5	0.7	0.3	1.0
US dollar	-	0.7	0.7	-	0.8	0.8
New Zealand dollar	-	-	-	-	0.1	0.1
Total	20.2	1.6	21.8	0.7	1.2	1.9

c) Foreign currency and interest rate profile of financial liabilities

The Group's financial liabilities at 31 December 2019 were £9.5 million (31 December 2018 - £25.9 million), of which £7.0 million (31 December 2018 - £14.5 million) related to short-term cash borrowings.

	31 December 2019		
	Financial liabilities		
	Floating rate	Non-interest bearing	Total
Currency	£ million	£ million	£ million
Sterling	(7.0)	(1.3)	(8.3)
Euro	(1.1)	-	(1.1)
New Zealand dollar	-	(0.1)	(0.1)
Total	(8.1)	(1.4)	(9.5)

	31 December 2018		
	Financial liabilities		
	Floating rate	Non-interest bearing	Total
Currency	£ million	£ million	£ million
Sterling	(18.0)	(5.1)	(23.1)
Euro	(2.5)	-	(2.5)
US Dollar	-	(0.3)	(0.3)
Total	(20.5)	(5.4)	(25.9)

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for the year ended 31 December 2019

15 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange rate risk, interest rate risk and inflation risk), credit risk, price or revenue risk (including power price risk, marginal loss factors in Australia and energy yield which impacts the fair value of the Group's investments in renewable energy projects), liquidity risk, and capital risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Company uses derivative financial instruments to hedge certain risk exposures.

For the Company and its recourse subsidiaries, financial risks are managed by a central treasury operation which operates within the ultimate parent undertaking's board approved policies. The various types of financial risk are managed as follows:

Market risk - foreign currency exchange rate risk

As at 31 December 2019 the Company held investments in 42 overseas projects (31 December 2018 - 42 overseas projects) all of which are fair valued based on the spot rate at 31 December 2019. The foreign currency exchange rate risk policy is to determine the total exposure to individual currencies; the Company may then enter into hedges against certain individual investments. The exposure to exchange rate risk on its investments is disclosed below.

In addition, the policy on managing foreign currency exchange rate risk is to cover significant transactional exposures arising from receipts and payments in foreign currencies, where appropriate and cost effective. There were 10 forward currency contracts open as at 31 December 2019 (31 December 2018 - 12). The fair value of these contracts was an asset of £0.7 million (31 December 2018 - £0.9 million) and a liability of £0.1 million (31 December 2018 - £0.3 million).

At 31 December 2019, the Company's most significant currency exposure was to the US dollar (31 December 2018 - US Dollar).

Foreign currency exposure of investments at FVTPL:

	2019		
	Project	Other assets and	Total
	companies	liabilities	
	£ million	£ million	£ million
Sterling	417.4	(534.1)	(116.7)
Euro	181.2	14.6	195.8
Australian dollar	567.9	37.3	605.2
US dollar	510.1	139.9	650.0
Canadian dollar	4.2	(0.1)	4.1
Colombian peso	68.2	-	68.2
New Zealand dollar	19.2	1.7	20.9
	1,768.2	(340.7)	1,427.5

	2018			
	Project	Listed	Other assets and	Total
	companies	investments	liabilities	
	£ million	£ million	£ million	£ million
Sterling	361.3	9.9	(300.9)	70.3
Euro	218.6	-	0.1	218.7
Australian dollar	482.9	-	5.1	488.0
US dollar	465.3	-	131.4	596.7
New Zealand dollar	22.2	-	-	22.2
	1,550.3	9.9	(164.3)	1,395.9

Investments in project companies are fair valued based on the spot exchange rate at the balance sheet date. As at 31 December 2019, a 5% movement of each relevant currency would decrease or increase the value of investments in overseas projects by c.£64.4 million. The Company's profit before tax would be impacted by the same amounts. There would be no additional impact on equity.

Market risk - interest rate risk

The Group's direct exposure to interest rate risk is from fluctuations in interest rates which impact on the value of returns from floating rate deposits and expose the Group to variability in interest payment cash flows on variable rate borrowings. The Group has assessed its exposure to interest rate risk and considers that this exposure is low as its variable rate borrowings tend to be short term, its finance costs in relation to letters of credit issued under the corporate banking facility are at a fixed rate and the interest earned on its cash and cash equivalents minimal.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

15 Financial risk management (continued)

Market risk - interest rate risk (continued)

The exposure of the Group's financial assets to interest rate risk is as follows:

	31 December 2019			
	Interest bearing		Non-interest bearing	Total
	Floating rate	Fixed rate		
	£ million	£ million	£ million	£ million
Financial assets				
Investments at fair value through profit or loss	-	-	1,427.5	1,427.5
Derivative financial instruments	-	-	0.7	0.7
Trade and other receivables	20.2	-	0.8	21.0
Cash and cash equivalents	-	-	0.1	0.1
Financial asset exposure to interest rate risk	20.2	-	1,429.1	1,449.3
31 December 2018				
	Interest bearing		Non-interest bearing	Total
	Floating rate	Fixed rate		
	£ million	£ million	£ million	£ million
Financial assets				
Investments at fair value through profit or loss	-	-	1,395.9	1,395.9
Derivative financial instruments	-	-	0.9	0.9
Trade and other receivables	0.7	-	0.3	1.0
Financial asset exposure to interest rate risk	0.7	-	1,397.1	1,397.8

The Group has indirect exposure to interest rate risk through the fair value of its investments at FVTPL which is determined on a discounted cash flow basis. The key inputs under this basis are (i) the discount rate and (ii) the cash flow forecast to be received from project companies. An analysis of the movement between opening and closing balances of investments at FVTPL is given in note 11. The forecast cash flows are determined by future project revenue and costs, including interest income and interest costs which can be linked to interest rates. Project companies take out either fixed-rate borrowings or enter into interest rate swaps to fix interest rates on variable rate borrowings which mitigates this risk. The level of interest income in project companies is not significant and therefore the Group does not consider there is a significant risk from a movement in interest rates in this regard. Movement in market interest rates can also have an impact on discount rates. At 31 December 2019, the weighted average discount rate was 8.6% (31 December 2018 - 8.6%). As at 31 December 2019 a 0.25% increase in the discount rate would reduce the fair value by £57.1 million (31 December 2018 - £52 million) and a 0.25% reduction in the discount rate would increase the fair value by £60.0 million (31 December 2018 - £54 million). The Group's profit before tax would be impacted by the same amounts. There would be no additional impact on equity.

The exposure of the Group's financial liabilities to interest rate risk is as follows:

	31 December 2019			
	Interest bearing		Non-interest bearing	Total
	Floating rate	Fixed rate		
	£ million	£ million	£ million	£ million
Interest-bearing loans and borrowings	(7.0)	-	-	(7.0)
Trade and other payables	(1.1)	-	(1.3)	(2.4)
Derivative financial instruments	-	-	(0.1)	(0.1)
Financial liability exposure to interest rate risk	(8.1)	-	(1.4)	(9.5)
31 December 2018				
	Interest bearing		Non-interest bearing	Total
	Floating rate	Fixed rate		
	£ million	£ million	£ million	£ million
Interest-bearing loans and borrowings	(14.5)	-	-	(14.5)
Trade and other payables	(6.0)	-	(5.1)	(11.1)
Derivative financial instruments	-	-	(0.3)	(0.3)
Financial liability exposure to interest rate risk	(20.5)	-	(5.4)	(25.9)

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for the year ended 31 December 2019

15 Financial risk management (continued)Market risk - inflation risk

The Group has limited direct exposure to inflation risk, but the fair value of investments is determined by future project revenue and costs which can be partly linked to inflation. Sensitivity to inflation can be mitigated by the project company entering into inflation swaps. Where PPP investments are positively correlated to inflation, an increase in inflation expectations will tend to increase their value.

At 31 December 2019, on a sample of five of the larger PPP investments with a total value of £596 million, a 0.25% increase in inflation is estimated to increase their value by c.£14 million and a 0.25% decrease in inflation is estimated to decrease their value by c.£13 million. Certain of the underlying project companies incorporate some inflation hedging.

Credit risk

Credit risk is managed on a Group basis and arises from a combination of the value and term to settlement of balances due and payable by counterparties for both financial and trade transactions.

In order to minimise credit risk, cash investments and derivative transactions are limited to financial institutions of a suitable credit quality and counterparties are carefully screened. The Group's cash balances are invested in line with a John Laing Group plc policy, capped with regard to counter-party credit ratings.

A significant number of the project companies in which the Group invests receive revenue from government departments, public sector or local authority clients and/or directly from the public. As a result, these projects tend not to be exposed to significant credit risk.

Price or revenue risk

The Group's investments in PPP assets have limited direct exposure to price or revenue risk. The fair value of many such project companies is dependent on the receipt of fixed fee income from government departments, public sector or local authority clients. As a result, these projects tend not to be exposed to price risk.

The Group also holds investments in renewable energy projects whose fair value may vary with forecast energy prices and additionally, for Australia wind and solar generation projects, forecast marginal loss factors (MLF) to the extent they are not economically hedged through short to medium-term fixed price purchase agreements with electricity suppliers, or do not benefit from governmental support mechanisms at fixed prices.

At 31 December 2019, on a sample of seven of renewable energy investments with a total value of £338 million, a 5% increase in power price forecasts is estimated to increase their value by £21.4 million and a 5% decrease in power price forecasts is estimated to decrease their value by £19.1 million.

At 31 December 2019, on a sample of renewable energy investments with a total value of £233 million, a 5% increase in MLFs is estimated to increase their value by c.£29 million and a 5% decrease is estimated to decrease their value by c.£29 million.

With regards to energy yield risk, our valuation of renewable energy projects assumes a P50 level of electricity output based on reports by technical consultants. The P50 output is the estimated annual amount of electricity generation (in MWh) that has a 50% probability of being achieved or exceeded – both in any single year and over the long term – and a 50% probability of being underachieved. Hence the P50 is the expected level of generation over the long term. A P75 output means a forecast with a 75% probability of being achieved or exceeded and a P25 output means a forecast with a 25% probability of being achieved or exceeded. At a P75 level of electricity output, the valuation at 31 December 2019 of a sample of renewable energy assets with a total value of £293 million would reduce by £38 million and a P25 level of electricity output would increase the value by £36 million.

For all of the above sensitivities on the portfolio value as at 31 December 2019, the Group's profit before tax would be impacted by the same amounts described above. There would be no additional impact on equity.

Liquidity risk

The Group adopts a prudent approach to liquidity management by maintaining sufficient cash and available committed facilities to meet its current and upcoming obligations.

The Group's liquidity management policy involves projecting cash flows in major currencies and assessing the level of liquid assets necessary to meet these.

The maturity profile of the Group's financial assets (excluding investments at FVTPL) is as follows:

	31 December 2019			31 December 2018		
	Less than one year	Greater than one year	Total	Less than one year	Greater than one year	Total
	£ million	£ million	£ million	£ million	£ million	£ million
Derivative financial instruments	0.7	-	0.7	0.9	-	0.9
Trade and other receivables	21.0	-	21.0	1.0	-	1.0
Cash and cash equivalents	0.1	-	0.1	-	-	-
Financial assets (excluding investments at FVTPL)	21.8	-	21.8	1.9	-	1.9

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15 Financial risk management (continued)

Liquidity risk (continued)

None of the financial assets is either overdue or impaired.

The maturity profile of the Group's financial liabilities is as follows:

	31 December 2019	31 December 2018
	£ million	£ million
In one year or less, or on demand	(9.5)	(25.9)

The following table details the remaining contractual maturity of the Company's financial liabilities. The table reflects undiscounted cash flows relating to financial liabilities based on the earliest date on which the Group is required to pay. The table includes both interest and principal cash flows:

	Weighted average effective interest rate	In one year or less	In more than one year but less than two years	In more than two years but less than five years	In more than five years	Total
	%	£ million	£ million	£ million	£ million	£ million
31 December 2019						
Floating rate -loans from fellow group undertakings	2.00	(1.1)	-	-	-	(1.1)
Floating rate -loans and borrowings	2.78	(7.0)	-	-	-	(7.0)
Non-interest bearing instruments*	n/a	(1.4)	-	-	-	(1.4)
		(9.5)	-	-	-	(9.5)
31 December 2018						
Floating rate -loans from fellow group undertakings	2.75	(6.0)	-	-	-	(6.0)
Floating rate -loans and borrowings	2.78	(14.5)	-	-	-	(14.5)
Non-interest bearing instruments*	n/a	(5.4)	-	-	-	(5.4)
		(25.9)	-	-	-	(25.9)

* Non-interest bearing instruments relate to trade and other payables and derivative financial instruments.

Capital risk

The Company seeks to adopt efficient financing structures that enable it to manage capital effectively and achieve the Company's objectives without putting shareholder value at undue risk. The Company's capital structure comprises its equity (as set out in the Statement of Changes in Equity) and its net borrowings.

At 31 December 2019, the Company was a borrower on John Laing Group plc's committed corporate banking facilities of £650.0 million, £500 million expiring in July 2023 and £150 million expiring in January 2021 (extended in January 2020 until January 2022).

The Group has requirements for both borrowings and letters of credit, which at 31 December 2019 were met by its £650 million committed facilities and related ancillary facilities and uncommitted cash backed facilities (31 December 2018 - £650 million). Issued at 31 December 2019 were letters of credit of £94.7 million (31 December 2018 - £163.9 million) and parent company guarantee of £6.2 million, related to future capital and loan commitments, and contingent commitments and performance and bid bonds of £2.7 million (31 December 2018 - £10.4 million). The committed facilities and amounts drawn therefrom are summarised below:

	31 December 2019				
	Total facilities	Loans drawn	Bank overdraft	Letters of credit in issue/other commitments	Total undrawn
	£ million	£ million	£ million	£ million	£ million
Committed corporate banking facilities	650.0	(232.0)	(7.0)	(103.6)	307.4
Total committed Group facilities	650.0	(232.0)	(7.0)	(103.6)	307.4
	31 December 2018				
	Total facilities	Loans drawn	Bank overdraft	Letters of credit in issue/other commitments	Total undrawn
	£ million	£ million	£ million	£ million	£ million
Committed corporate banking facilities	650.0	(55.0)	(14.5)	(174.3)	406.2
Total committed Group facilities	650.0	(55.0)	(14.5)	(174.3)	406.2

The loans drawn of £232.0 million at 31 December 2019 were drawn by John Laing Investments Limited, an immediate subsidiary of the Company, which is a fellow borrower under the facilities.

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for the year ended 31 December 2019

16 Provisions

	At 1 January 2019 £ million	Credit to Income Statement £ million	Utilised £ million	At 31 December 2019 £ million
Onerous contract in relation to retirement benefit obligations	(40.1)	10.9	29.2	-
Total provisions	(40.1)	10.9	29.2	-
Provisions analysed as:				
Non-current provisions	(40.1)			-
	(40.1)			-
	At 1 January 2018 £ million	Charge to Income Statement £ million	Utilised £ million	At 31 December 2018 £ million
Onerous contract in relation to retirement benefit obligations	(40.3)	(26.4)	26.6	(40.1)
Total provisions	(40.3)	(26.4)	26.6	(40.1)
Provisions analysed as:				
Non-current provisions	(40.3)			(40.1)
	(40.3)			(40.1)

The Company is the sponsoring and principal employer of the John Laing Group pension schemes and makes deficit reduction contributions to the John Laing Pension Fund. It has provided a guarantee of all present and future obligations under the pension schemes of the other participating employers, John Laing Services Limited and Laing Investments Management Services Limited, which are fellow subsidiary undertakings of John Laing Group plc. Any liability from retirement benefit obligations under IAS 19 is therefore shown as a provision under an onerous contract. During the year, the Company paid deficit reduction contributions of £29.2 million (2018 - £26.6 million), which is shown as a utilisation of the provision in the year. Following other positive movements, there is a net surplus on retirement benefit obligations at 31 December 2019 and therefore no provision is required at this date. There is a credit to the Income Statement for the year ended 31 December 2019 of £10.9 million (2018 - £26.4 million charge).

17 Share capital

	2019 No.	2018 No.
Authorised:		
Ordinary shares of £0.25 each	470,605,252	470,605,252
	2019	2018
	£ '000	£ '000
Allotted, called up and fully paid:		
40,000 ordinary shares (2018 - 40,000) of £0.25 each	10	10

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18 Net cash outflow from operating activities

	2019	2018
	£ million	£ million
Profit before tax	98.5	287.0
Adjustments for:		
Interest income	(1.9)	(5.4)
Dividend income	(25.0)	(25.0)
Finance costs	0.2	4.1
Net movement in fair value of derivatives	(0.6)	0.7
Net foreign exchange movements	4.0	5.6
Tax liability on vesting LTIP shares	(1.4)	-
Impairment credit	(0.7)	0.5
Unrealised profit arising on changes in fair value of investments (note 11)	(58.9)	(290.8)
Other (gains)/losses (note 6)	(10.9)	26.4
Decrease in provisions (note 16)	(29.2)	(26.6)
Operating cash outflow before movements in working capital	(25.9)	(23.5)
Decrease in trade and other receivables	(3.8)	(14.0)
Increase/(decrease) in trade and other payables	0.1	(0.3)
Cash outflow from operations	(29.6)	(37.8)
Income taxes received	-	7.3
Net cash outflow from operating activities	(29.6)	(30.5)

19 Guarantees and other commitments

At 31 December 2019, the Company was a guarantor under John Laing Group plc's £650 million syndicated, committed, revolving credit facility. At 31 December 2019, the total amount utilised under these facilities, and hence guaranteed by the Company, was £342.6 million (31 December 2018 - £243.8 million).

At 31 December 2019, the Group had future equity and loan commitments of £218.4 million (31 December 2018 - £295.6 million) backed by letters of credit and other guarantees of £100.9 million (31 December 2018 - £163.9 million) and cash collateral of £117.5 million (31 December 2018 - £131.7 million). There were also contingent commitments, performance and bid bonds of £2.7 million (31 December 2018 - £10.4 million).

Claims arise in the normal course of trading which in some cases involve or may involve litigation. Full provision has been made for all amounts which the Directors consider are likely to become payable on account of such claims.

20 Transactions with related parties

Details of transactions between the Company and related parties not already disclosed in the financial statements are disclosed below.

Trading transactions

The company earned a management fee of £1.1 million in the year ended 31 December 2019 (2018 - £0.9 million) from Laing Investments Management Services Limited, a fellow subsidiary undertaking of John Laing Group plc, the Company's ultimate parent undertaking.

21 Ultimate parent undertaking

The Company's immediate parent company is John Laing Holdco Limited, a company incorporated in England and Wales.

The Company's ultimate parent and controlling entity is John Laing Group plc, a company incorporated in England and Wales. Copies of the Group accounts of John Laing Group plc are available from its registered office at 1 Kingsway, London, WC2B 6AN.

The Company's results were not consolidated by any of its parent undertakings.

22 Events after balance sheet date

In May 2020, the Group completed the sale of its interests in the Buckthorn Wind Farm and in the Auckland South Correction Facility.

In March 2020, the Group entered into a purchase and sale agreement for the divestment of its French wind farm portfolio, which is expected to complete in June 2020.

The COVID-19 outbreak is a non-adjusting event after the balance sheet date in respect of the Company's financial statements for the year ended 31 December 2019. For an assessment of the impact from COVID-19 in 2020, including an assessment of its impact on the Company as a going concern, please refer to the Directors' Report.

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for the year ended 31 December 2019

23 Subsidiaries and other investments

Subsidiaries through which the Company holds its investments in project companies, are described as "recourse". Project companies in which the Group indirectly invests are described as "non-recourse" which means that providers of debt to such project companies do not have recourse beyond John Laing's equity commitments in the underlying projects.

Details of the Company's subsidiaries at 31 December 2019 were as follows:

Name		Country of incorporation	Ownership interest	Registered office
Recourse subsidiaries				
Investment entity subsidiaries (measured at fair value)				
Argon Ventures Limited	**	United Kingdom	100%	Note 1
Denver Rail (Eagle) Holdings Inc.	**	United States	100%	Note 8
Huronario John Laing Holdco Corp	**	Canada	100%	100 King Street West, Suite 6200, 1 First Canadian Place, Toronto, Canada, M5X 1B8
Hyder Investments Limited	**	United Kingdom	100%	Note 1
John Laing AFC Holdco Corp	**	United States	100%	Note 8
John Laing Buckthorn Wind HoldCo Corp	**	United States	100%	Note 8
John Laing Funding Limited	*	United Kingdom	100%	Note 1
John Laing Homes Limited	*	United Kingdom	100%	Note 1
John Laing I-4 Holdco Corp	**	United States	100%	Note 8
John Laing I-66 Holdco Corp	**	United States	100%	Note 8
John Laing I-75 Holdco Corp	**	United States	100%	Note 8
John Laing I-77 Holdco Corp	**	United States	100%	Note 8
John Laing Infrastructure Limited	**	United Kingdom	100%	Note 1
John Laing INH2 BV	**	Netherlands	100%	Note 3
John Laing Investments (Cherry Tree) Pty Ltd.	**	Australia	100%	Note 4
John Laing Investments (East Rockingham) BV	**	Netherlands	100%	Note 3
John Laing Investments (Grafton) BV	**	Netherlands	100%	Note 3
John Laing Investments (Granville) BV	**	Netherlands	100%	Note 3
John Laing Investments (Hornsedale 2) Pty Limited	**	Australia	100%	Note 4
John Laing Investments (Hornsedale 3) Pty Limited	**	Australia	100%	Note 4
John Laing Investments (Hornsedale) Pty Limited	**	Australia	100%	Note 4
John Laing Investments (LBAJQ) BV	**	Netherlands	100%	Note 3
John Laing Investments (Melbourne Metro) BV	**	Netherlands	100%	Note 3
John Laing Investments (NGR) BV	**	Netherlands	100%	Note 3
John Laing Investments (NRAH) BV	**	Netherlands	100%	Note 3
John Laing Investments (Perth Stadium) BV	**	Netherlands	100%	Note 3
John Laing Investments (SLR) BV	**	Netherlands	100%	Note 3
John Laing Investments Limited	*	United Kingdom	100%	Note 1
John Laing Investments Netherlands Holdings BV	**	Netherlands	100%	Note 3
John Laing Investments NZ Holdings Limited	**	United Kingdom	100%	Note 1
John Laing Investments Overseas Holdings Limited	**	United Kingdom	100%	Note 1
John Laing Investments Spain SL	**	Spain	100%	Iberia Mart I, Calle Pedro Texeira 8, 28020 Madrid, Spain
John Laing Investments (Sunraysia) BV	**	Netherlands	100%	Note 3
John Laing Live Oak Wind HoldCo Corp	**	United States	100%	Note 8
John Laing Projects & Developments (Holdings) Limited	**	United Kingdom	100%	Note 1
John Laing Social Infrastructure Limited	**	United Kingdom	100%	Note 1
Laing Infrastructure Holdings Limited	**	United Kingdom	100%	Note 1
Laing Investment Company Limited	**	United Kingdom	100%	Note 1
Laing Investments Greenwich Limited	**	United Kingdom	100%	Note 1
Laing Property Holdings Limited	**	United Kingdom	100%	Note 1
Laing Property Limited	*	United Kingdom	100%	Note 1
Manara JL Holdco BV	**	Netherlands	100%	Note 3
Ruta del Cacao JL Holdco SL	**	Spain	100%	Iberia Mart I, Calle Pedro Texeira 8, 28020 Madrid, Spain

JOHN LAING LIMITED

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for the year ended 31 December 2019

23 Subsidiaries and other investments (continued)

Name		Country of incorporation	Ownership interest	Registered office
Non-recourse subsidiaries				
Subsidiary project subsidiaries (measured at fair value)				
ALTRAC Light Rail Holdings 3 Pty Limited	**	Australia	100%	Note 4
ALTRAC Light Rail Holdings Trust 3	**	Australia	100%	Note 4
ALTRAC Light Rail 3 Pty Limited	**	Australia	100%	Note 4
ALTRAC Light Rail Trust 3	**	Australia	100%	Note 4
Boston AFC 2.0 HoldCo LLC	**	United States	90%	Note 8
Boston AFC 2.0 LLC	**	United States	90%	Note 8
Brantley Farm Solar LLC	**	United States	90.1%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
Brantley HoldCo LLC	**	United States	90.1%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
Buckthorn Wind Class B Holdco LLC	**	United States	90.05%	Note 8
Buckthorn Wind John Laing OpCo LLC	**	United States	90.05%	Note 8
Buckthorn Wind Project LLC	**	United States	90.05%	Note 8
Buckthorn Wind Tax Equity Holdco LLC	**	United States	90.05%	Note 8
Buckleberry HoldCo LLC	**	United States	90.1%	Note 9
Buckleberry Solar LLC	**	United States	90.1%	Note 9
CCP-PL Lessor III LLC	**	United States	90.1%	Note 8
CCP-PL Lessor IV LLC	**	United States	90.1%	Note 8
CCP-PL Lessor V LLC	**	United States	90.1%	Note 8
CCP-PL Managing Member III LLC	**	United States	100%	Note 8
CCP-PL Managing Member IV LLC	**	United States	100%	Note 8
CCP-PL Managing Member V LLC	**	United States	100%	Note 8
Cherry Tree Finance Company Pty Ltd	**	Australia	100%	Note 4
Cherry Tree Hold Co Pty Ltd	**	Australia	100%	Note 4
Cherry Tree Hold Trust	**	Australia	100%	Note 4
Cherry Tree Project Trust	**	Australia	100%	Note 4
Cherry Tree Wind Farm Pty Ltd	**	Australia	100%	Note 4
CountyRoute (A130) Plc	**	United Kingdom	100%	Note 2
CountyRoute 2 Limited	**	United Kingdom	100%	Note 2
CountyRoute Limited	**	United Kingdom	100%	Note 2
Courtibeaux (Holdings) Ltd.	**	United Kingdom	100%	Note 1
CY Holding 3 Pty Limited	**	Australia	100%	Note 4
Cross Yarra Holding Trust 3	**	Australia	100%	Note 4
Cross Yarra 3 Pty Limited	**	Australia	100%	Note 4
Cross Yarra Trust 3	**	Australia	100%	Note 4
Cypress Creek Fund 11 LLC	**	United States	90.1%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
Cypress Creek Fund 11 Managing Member LLC	**	United States	100%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
Cypress Creek Fund 12 LLC	**	United States	90.1%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
Cypress Creek Fund 12 Managing Member LLC	**	United States	100%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
Defence Support (St Athan) Holdings Limited	**	United Kingdom	100%	Note 2
Defence Support (St Athan) Limited	**	United Kingdom	100%	Note 2
Dritte Nordergründe Beteiligungs GmbH	**	Germany	100%	Lise-Meitner-Strasse 5, 28359 Bremen, Germany
Education Support (Southend) Limited	**	United Kingdom	100%	Note 1
Finley Solar Holdings Pty Ltd	**	Australia	100%	Note 4
Finley Solar Farm Pty Ltd	**	Australia	100%	Note 4
Finley Solar Finance Pty Ltd	**	Australia	100%	Note 4
Finley Solar Trust	**	Australia	100%	Note 4

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

23 Subsidiaries and other investments (continued)

Name		Country of incorporation	Ownership interest	Registered office
Non-recourse subsidiaries				
Subsidiary project subsidiaries (continued)				
Fox Creek Farm Solar LLC	**	United States	90.1%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
Fox Creek HoldCo LLC	**	United States	90.1%	176 Mine Lake Court, Suite 100, Raleigh, NC 27615 USA
Glencarbry (Holdings) Limited	**	United Kingdom	100%	Note 1
Glencarbry Supply Company Limited	**	Ireland	100%	Arthur Cox Building, Earlsfort Terrace, Dublin 2, Ireland
Glencarbry Windfarm Limited	**	Ireland	100%	Arthur Cox Building, Earlsfort Terrace, Dublin 2, Ireland
Innovative Solar 54 LLC	**	United States	90.1%	Note 9
Innovative Solar 67 LLC	**	United States	90.1%	Note 9
IS54 HoldCo LLC	**	United States	90.1%	Note 9
IS67 HoldCo LLC	**	United States	90.1%	Note 9
John Laing Live Oak Wind OpCo LLC	**	United States	100%	Note 9
John Laing US Solar Corp	**	United States	100%	Note 8
Kabeltrasse Morbach GmbH & Co KG	**	Germany	81.82%	Oberdorfstraße 10, 55262 Heidesheim am Rhein, Germany
KGE Windpark Schipkau-Nord GmbH & Co. KG	**	Germany	100%	Am Nesseufer 40, 26789 Leer, Germany
KGE Schipkau-Nord Infrastruktur GmbH & Co. KG	**	Germany	85%	Am Nesseufer 40, 26789 Leer, Germany
Kiata Wind Farm Holdings Pty Limited	**	Australia	72.3%	Level 4, 30 Marcus Clarke Street, Canberra City ACT 2601, Australia
Kiata Wind Farm Pty Limited	**	Australia	72.3%	Level 4, 30 Marcus Clarke Street, Canberra City ACT 2601, Australia
Klettwitz Schipkau Nord Beteiligungs GmbH	**	Germany	100%	Note 7
Klettwitz SN Holdings GmbH	**	Germany	100%	Note 7
Klettwitz SN Verwaltungs GmbH	**	Germany	100%	Note 7
Live Oak Wind Class B Member LLC	**	United States	75%	Note 8
Live Oak Wind Holdco LLC	**	United States	75%	Note 8
Live Oak Wind Partners LLC	**	United States	75%	Note 8
Live Oak Wind Project LLC	**	United States	75%	Note 8
Nordergründe Holdco GmbH	**	Germany	100%	Lise-Meitner-Strasse 5, 28359 Bremen, Germany
NorthernPathways Holding Pty Limited	**	Australia	80%	Note 4
NorthernPathways Pty Limited	**	Australia	80%	Note 4
NorthernPathways Project Trust	**	Australia	80%	Note 4
NorthernPathways Holding Trust	**	Australia	80%	Note 4
Parc Eolien des Courtibeaux SAS	**	France	100%	1 Rue des Arquebusiers, 67000 Strasbourg, France
Parc Eolien des Tournevents du Cos SAS	**	France	100%	1 Rue des Arquebusiers, 67000 Strasbourg, France
Parkway 6 BV	**	Netherlands	85%	Taurusavenue 100, Hoofddorp, Netherlands
Parkway 6 Holding BV	**	Netherlands	85%	Taurusavenue 100, Hoofddorp, Netherlands
Rammeldalsberget Holding AB	**	Sweden	100%	Sveavagen 17, 111 57 Stockholm, Sweden
Rammeldalsberget Vindkraft AB	**	Sweden	100%	Sveavagen 17, 111 57 Stockholm, Sweden

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2019

23 Subsidiaries and other investments (continued)

Name		Country of incorporation	Ownership interest	Registered office
Non-recourse subsidiaries				
Subsidiary project subsidiaries (continued)				
Services Support (Surrey) Holdings Limited	**	United Kingdom	100%	Note 1
Services Support (Surrey) Limited	**	United Kingdom	100%	Note 1
Société d'Exploitation du Parc Eolien Du Tonnerois	**	France	100%	1 Rue des Arquebusiers, 67000 Strasbourg, France
Solar House 1	**	France	80%	6 Avenue du Coq, 75009 Paris, France
Solar House 2	**	France	80%	6 Avenue du Coq, 75009 Paris, France
Solar House 3	**	France	80%	6 Avenue du Coq, 75009 Paris, France
Solar House 4	**	France	80%	6 Avenue du Coq, 75009 Paris, France
Solar House Holdings	**	France	80%	6 Avenue du Coq, 75009 Paris, France
Sunraysia Solar Farm Holdings Pty Ltd	**	Australia	90.1%	Level 4, 5 Talavera Road Macquarie Park, NSW 2113, Australia
Sunraysia Solar Finance Pty Ltd	**	Australia	90.1%	Level 4, 5 Talavera Road Macquarie Park, NSW 2113, Australia
Sunraysia Solar Project Holdings Trust	**	Australia	90.1%	Level 4, 5 Talavera Road Macquarie Park, NSW 2113, Australia
Sunraysia Solar Project Pty Ltd	**	Australia	90.1%	Level 4, 5 Talavera Road Macquarie Park, NSW 2113, Australia
Sunraysia Solar Project Trust	**	Australia	90.1%	Level 4, 5 Talavera Road Macquarie Park, NSW 2113, Australia
Svartvallsberget Holding AB	**	Sweden	100%	Sveavagen 17, 111 57 Stockholm, Sweden
Svartvallsberget SPW AB	**	Sweden	100%	Sveavagen 17, 111 57 Stockholm, Sweden
Tonnerois (Holdings) Limited	**	United Kingdom	100%	Note 1
Tournevents (Holdings) Limited.	**	United Kingdom	100%	Note 1
Uliving@Brighton (Holdco) Limited	**	United Kingdom	85%	Linkcity, Becket House, 1 Lambeth Palace Road, London SE1 7EU
Uliving@Brighton Limited	**	United Kingdom	85%	Linkcity, Becket House, 1 Lambeth Palace Road, London SE1 7EU
US Solar John Laing OpCo LLC	**	United States	100%	Note 8
Vierte Nordergründe Beteiligungs GmbH	**	Germany	100%	Lise-Meitner-Strasse 5, 28359 Bremen, Germany
Wind Hold Co 1 Limited	**	United Kingdom	100%	Note 1
Wind Project Co 1 Limited	**	United Kingdom	100%	Note 1
Windpark Horath Holding GmbH	**	Germany	100%	Note 7
Windpark Horath Verwaltungs GmbH	**	Germany	100%	Note 7
WP Horath GmbH & Co KG	**	Germany	100%	Note 7
Zweite Nordergründe Beteiligungs GmbH	**	Germany	100%	Lise-Meitner-Strasse 5, 28359 Bremen, Germany

Details of the Company's joint ventures and other investments at 31 December 2019 were as follows:

Non-recourse

Joint venture project companies (measured at fair value)				
A-Lanes A15 BV	**	Netherlands	28.0%	Venkelweg 64, Hoogvliet Rotterdam, Netherlands
A-Lanes A15 Holdings BV	**	Netherlands	28.0%	Venkelweg 64, Hoogvliet Rotterdam, Netherlands
A-Lanes Management Services BV	**	Netherlands	25%	Westkanaaldijk 2, Utrecht, Netherlands

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for the year ended 31 December 2019

23 Subsidiaries and other investments (continued)

Name		Country of incorporation	Ownership interest	Registered office
Joint venture project companies (continued)				
Agility Trains East (Holdings) Limited	**	United Kingdom	30%	Note 6
Agility Trains East (Midco) Limited	**	United Kingdom	30%	Note 6
Agility Trains East Limited	**	United Kingdom	30%	Note 6
Alder Hey Holdco 1 Limited	**	United Kingdom	40%	Note 2
Alder Hey Holdco 2 Limited	**	United Kingdom	40%	Note 2
Alder Hey Holdco 3 Limited	**	United Kingdom	40%	Note 2
Alder Hey (Special Purpose Vehicle) Limited	**	United Kingdom	40%	Note 2
ALTRAC Light Rail Partnership	**	Australia	32.5%	Level 7, 280 Elizabeth St Surry Hills, NSW 2010, Australia
Celsus Holding Pty Limited	**	Australia	17.26%	c/- Royal Adelaide Hospital, Port road, Adelaide SA 5000, Australia
Celsus Pty Limited	**	Australia	17.26%	c/- Royal Adelaide Hospital, Port road, Adelaide SA 5000, Australia
Celsus Holding Trust	**	Australia	17.26%	c/- Royal Adelaide Hospital, Port road, Adelaide SA 5000, Australia
Celsus Trust	**	Australia	17.26%	c/- Royal Adelaide Hospital, Port road, Adelaide SA 5000, Australia
Concesionaria Ruta del Cacao SAS	**	Colombia	30.00%	Carrera 26 No. 36 - 14 oficina 702 edificio Fénix Bucaramanga, Santander, Colombia
Cramlington Renewable Energy Developments Hold Co Limited	**	United Kingdom	44.72%***	Note 2
Cramlington Renewable Energy Developments Limited	**	United Kingdom	44.72%***	Note 2
Cross Yarra Partnership Pty Limited	**	Australia	30%	Level 8, 136 Exhibition St, Melbourne VIC 3000, Australia
De Groene Boog Holding BV	**	Netherlands	47.5%	Marten Meesweg 25, Rotterdam, Netherlands
De Groene Boog BV	**	Netherlands	47.5%	Marten Meesweg 25, Rotterdam, Netherlands
Denver Transit Holdings LLC	**	United States	45%	Note 8
Denver Transit Partners LLC	**	United States	45%	Note 8
East Rockingham RRF Finance Co Pty Ltd.	**	Australia	40%	Note 4
East Rockingham RRF Hold Co Pty Ltd	**	Australia	40%	Note 4
East Rockingham RRF Hold Co 2 Pty Ltd.	**	Australia	40%	Note 4
East Rockingham RRF Hold Trust	**	Australia	40%	Note 4
East Rockingham RRF Hold Trust 2	**	Australia	40%	Note 4
East Rockingham RRF Project Trust	**	Australia	40%	Note 4
East Rockingham RRF Project Co Pty Ltd.	**	Australia	40%	Note 4
Granville Harbour Holdings Pty Ltd	**	Australia	49.8%	Level 13, 664 Collins Street, Dockland VIC 3008, Australia
Granville Harbour Holdings Trust	**	Australia	49.8%	Level 13, 664 Collins Street, Dockland VIC 3008, Australia
Granville Harbour Operations Pty Ltd	**	Australia	49.8%	Level 13, 664 Collins Street, Dockland VIC 3008, Australia
Granville Harbour Operations Trust	**	Australia	49.8%	Level 13, 664 Collins Street, Dockland VIC 3008, Australia
Hornsedale Asset Co Pty Limited	**	Australia	23.33%	Note 5
HWF 1 Pty Limited	**	Australia	30%	Note 5
HWF 2 Pty Limited	**	Australia	20%	Note 5
HWF 3 Pty Limited	**	Australia	20%	Note 5
HWF Holdco 1 Pty Limited	**	Australia	30%	Note 5
HWF Holdco 2 Pty Limited	**	Australia	20%	Note 5
HWF Holdco 3 Pty Limited	**	Australia	20%	Note 5

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for the year ended 31 December 2019

23 Subsidiaries and other investments (continued)

Name		Country of incorporation	Ownership interest	Registered office
Joint venture project companies (continued)				
I-4 Mobility Partners HoldCo LLC	**	United States	50%	Note 8
I-4 Mobility Partners Midstream LLC	**	United States	50%	Note 8
I-4 Mobility Partners OpCo LLC	**	United States	50%	Note 8
I-66 Express Mobility Partners Holding LLC	**	United States	10%	Note 11
I-66 Express Mobility Partners LLC	**	United States	10%	Note 11
I-77 Mobility Partners Holding LLC	**	United States	10%	Note 11
I-77 Mobility Partners LLC	**	United States	10%	Note 11
Laing/Gladedale (Hastings) Holdings Limited	**	United Kingdom	50%	Note 1
Laing/Gladedale (Hastings) Limited	**	United Kingdom	50%	Note 1
Mobilinx Hurontario General Partnership	**	Canada	35%	110 Matheson Boulevard West, 4th Floor, Mississauga, Ontario, Canada L5R 4G7
NGR Holding Company Pty Limited	**	Australia	40%	Note 10
NGR Project Company Pty Limited	**	Australia	40%	Note 10
NGR Holding Trust	**	Australia	40%	Note 10
NGR Project Trust	**	Australia	40%	Note 10
Oakland Corridor Partners HoldCo LLC	**	United States	40%	Note 11
Oakland Corridor Partners LLC	**	United States	40%	Note 11
OWP Nordergründe GmbH & Co. KG	**	Germany	30%	Stephanitorsbollwerk 3, 28217 Bremen, Germany
Palisade Granville Harbour Investments Pty Ltd	**	Australia	49.8%	Level 13, 664 Collins Street, Dockland VIC 3008, Australia
Palisade Granville Harbour Investments Trust	**	Australia	49.8%	Level 13, 664 Collins Street, Dockland VIC 3008, Australia
Rail Investments (Great Western) Limited	**	United Kingdom	50%	Note 1
Securefuture Wiri Holdings Limited	**	New Zealand	30%	1010, New Zealand
Securefuture Wiri Limited	**	New Zealand	30%	Level 3, 37 Galway Street, Britomart, Auckland 1010, New Zealand
Speyside Renewable Energy Partnership Hold Co	**	United Kingdom	43.35%****	13 Queens Road, Aberdeen, Scotland, AB15 4YL
Speyside Renewable Energy Finance plc	**	United Kingdom	43.35%****	Note 2
Speyside Renewable Energy Partnership Limited	**	United Kingdom	43.35%****	13 Queens Road, Aberdeen, Scotland, AB15 4YL
Transcend Property Limited	**	United Kingdom	50%	Note 1
Westcoast Wind Pty Limited	**	Australia	49.8%	Level 13, 664 Collins Street, Dockland VIC 3008, Australia
Wimpey Laing Iran Limited	**	United Kingdom	50%	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR

* Entities owned directly by the Company

** Entities owned indirectly by the Company

*** 44.7% of share capital and 55.9% of subordinated debt loan

**** 43.35% of share capital and 51% of subordinated debt loan

Notes:

1. The registered office of these companies is: 1 Kingsway, London, WC2B 6AN
2. The registered office of these companies is: 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG
3. The registered office of these companies is: Schiphol Boulevard 253 D-building, Schiphol, 1118 BH, The Netherlands
4. The registered office of these companies is: Level 16, 15 Castlereagh Street, Sydney NSW 2000, Australia
5. The registered office of these companies is: Suite 3 Level 14, 219-227 Elizabeth Street, Sydney NSW 2000, Australia
6. The registered office of these companies is: 4th Floor 4 Copthall Avenue, London, EC2R 7DA
7. The registered office of these companies is: Münzstraße 21, D-10178 Berlin, Germany
8. The registered office of these companies is: 251 Little Falls Drive, Wilmington, Delaware 19808, USA
9. The registered office of these companies is: 2626 Glendwood Avenue, Suite 550, Raleigh, North Carolina 27608, USA
10. The registered office of these companies is: c/- Allens, Level 33, 101 Collins Street, Melbourne VIC 3000, Australia
11. The registered office of these companies is: 1209 Orange Street, Wilmington, Delaware 19801, USA