

LAING INFRASTRUCTURE HOLDINGS LIMITED
(formerly JL Infrastructure Holdings Limited)

ACCOUNTS FOR THE YEAR ENDED

31 DECEMBER 2000



LAING INFRASTRUCTURE HOLDINGS LIMITED

(formerly JL Infrastructure Holdings Limited)

DIRECTORS' REPORT

The Directors submit their report and the accounts for the year ended 31 December 2000.

REVIEW OF THE YEAR

The company changed its name from JL Infrastructure Holdings Limited to Laing Infrastructure Holdings Limited on 29 December 2000.

The loss for the year before taxation, including dividends receivable, amounted to £1,887,312 (1999 - profit £573,496).

There were no significant changes in the principal activity of the company which continues to be the holding of investments.

DIRECTORS

The directors during the year were:

I J Wells	
A R Chaney	
A C Roper	
R Weston	
F Barras	
A J H Ewer	
A E Friend	
A S Taylor	- resigned 24 December 2000

DIRECTORS' INTERESTS

On 18 May 2000 John Laing plc obtained shareholder approval to enfranchise its Ordinary A (non-voting) Shares of 25p each with effect from 31 May 2000. From that date such shares ranked *pari passu* in all respects with the existing Ordinary Shares of 25p each. In addition, share options previously granted over Ordinary A (non-voting) Shares became options over Ordinary Shares. A compensatory Scrip Issue of 1 for every 20 Ordinary Shares held on 30 May 2000 was made to the holders of Ordinary Shares on that date.

No directors had any interest in the shares of the company.

The directors' interests in the shares of John Laing plc the company's ultimate parent company, including family and non-beneficial interests, as registered in accordance with the Companies Act 1985, were:

	On 31 December 2000		On 1 January 2000 or later date of appointment		
	Ordinary Shares 25p	6.4% Convertible Preference Shares £1	Ordinary Shares 25p	Ordinary (non-voting) shares 25p	6.4% Convertible Preference Shares £1
I J Wells	500	-	-	500	-
A R Chaney	2,218	-	830	790	-
R Weston	910	-	-	-	-

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DIRECTORS' REPORT (Continued)**DIRECTORS' INTERESTS** (Cont'd.)

In addition the directors participated in the John Laing plc Senior Executive Share Option Scheme and Savings Related Option Scheme. Rights to subscribe for John Laing plc Ordinary Shares granted and/or exercised during the year were as follows:

	At 1 January 2000 or later date of appointment	Granted	Exercised	At 31 December 2000
I J Wells	30,074	-	-	30,074
A R Chaney	10,557	-	557	10,000
R Weston	6,910	-	910	6,000

The interest of A J H Ewer being also director of John Laing plc, is disclosed in the accounts of that company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT (Continued)

PAYMENT TO CREDITORS

The Company is a registered supporter of the CBI Prompt Payers Code of Good Practice. Payment terms are clearly stated in contracts between the Company and its suppliers or subcontractors from the outset. The Company has a consistent policy to pay in accordance with the contracted terms provided the supplier is also complying with all the relevant terms of the contract. More information about the Code may be obtained from the CBI. The company had no trade creditors at the year end, accordingly no average payment period is disclosed.

AUDITORS

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

On behalf of the board

A handwritten signature in black ink, appearing to read 'R K Miller', written in a cursive style.

R K Miller
Company Secretary
Date: 25 April 2001

LAING INFRASTRUCTURE HOLDINGS LIMITED

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AUDITORS' REPORT TO THE MEMBERS OF LAING INFRASTRUCTURE HOLDINGS LIMITED

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

30 April 2001

LAING INFRASTRUCTURE HOLDINGS LIMITED

(formerly JL Infrastructure Holdings Limited)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		17,191	(57,849)
Other operating income		2,475,062	292,664
Operating profit	2	2,492,253	234,815
Profit on disposal of investment		-	74,104
Amounts written off investments		(4,750,000)	-
(Loss) / profit on ordinary activities before interest		(2,257,747)	308,919
Net interest	5	370,435	264,577
(Loss) / profit on ordinary activities before taxation		(1,887,312)	573,496
Taxation	6	(52)	(85,286)
Group taxation relief			
Current year		(98,819)	(23,652)
Previous years		18,804	-
(Loss) / profit on ordinary activities after taxation		(1,967,379)	464,558
Dividends paid		-	-
Retained (loss) / profit for the year	11	(1,967,379)	464,558
Cumulative profit brought forward		523,358	58,800
CUMULATIVE (LOSS) / PROFIT CARRIED FORWARD	11	(1,444,021)	523,358

All gains and losses are recognised in the profit and loss account.

All items in the profit and loss account relate to continuing operations.

LAING INFRASTRUCTURE HOLDINGS LIMITED

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BALANCE SHEET AT 31 DECEMBER 2000

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Investments in subsidiary undertakings and joint ventures	7		<u>10,248,908</u>		<u>5,530,611</u>
			10,248,908		5,530,611
CURRENT ASSETS					
Debtors	8	1,660		7,659,846	
Cash at bank and in hand		<u>37,909</u>		<u>766</u>	
		39,569		7,660,612	
CREDITORS:					
amounts falling due within one year	9	<u>8,732,496</u>		<u>9,667,863</u>	
NET CURRENT LIABILITIES			(8,692,927)		(2,007,251)
NET ASSETS			<u>1,555,981</u>		<u>3,523,360</u>
CAPITAL AND RESERVES					
Called up share capital					
Allotted, called up and fully paid					
3,000,002 ordinary shares of £1 each	10		3,000,002		3,000,002
Profit and loss account	11		<u>(1,444,021)</u>		<u>523,358</u>
Equity shareholders' funds	11		<u>1,555,981</u>		<u>3,523,360</u>

The accounts on pages 5 to 11 were approved by the Board of Directors on 25 April 2001 and were signed on its behalf by:



A E Friend
Director

NOTES

(forming part of the financial statements)

1. ACCOUNTING POLICIES**(a) Basis of preparation of accounts**

These accounts have been prepared under the historical cost accounting rules and in accordance with reporting requirements of the Companies Act 1985 together with applicable Accounting Standards.

The company has implemented Financial Reporting Standards 15 'Tangible Fixed Assets' and 16 'Current Taxation'. These have no material effect on the Company's results and no prior year adjustment is necessary.

The company is a wholly owned subsidiary undertaking of John Laing plc and is exempt under Financial Reporting Standard 1 (revised 1996) from the requirement to prepare its own cash flow statement. As a wholly owned subsidiary undertaking the company is also exempt under section 228 of the Companies Act 1985 from any requirement to prepare consolidated financial statements for its group. Accordingly, the financial statements present information about the company as an individual undertaking, and the results of subsidiary undertakings and joint ventures are reflected in these accounts only to the extent that dividends have been declared.

(b) Investments

Investments are stated at cost less impairment. Income from investments is included in the profit and loss account as declared.

(c) Taxation

The charge for taxation takes into account taxation deferred because of timing differences in the treatment of certain items for taxation and accounting purposes. Provision for deferred taxation is not made unless there is reasonable evidence that it will be payable in the foreseeable future.

2. OPERATING PROFIT

	2000 £	1999 £
Operating profit is stated after charging:		
Auditors' remuneration:		
Audit	<u>4,000</u>	<u>2,500</u>

3. EMOLUMENTS OF DIRECTORS

	2000 £	1999 £
All Directors	<u>95,026</u>	<u>104,126</u>
Highest Paid Director	<u>95,026</u>	<u>104,126</u>

The highest paid director is a member of a defined benefit scheme, under which the accrued pension to which they would be entitled from a normal retirement date if they were to retire at the year end is £ 39,885.

Retirement benefits are accruing to 7 (1999 : 8) directors under defined benefit schemes.

3 of the directors exercised share options in the ultimate parent undertaking John Laing plc during the year (1999: 0).

4. STAFF NUMBERS AND COSTS

The company did not have any employees during either year.

LAING INFRASTRUCTURE HOLDINGS LIMITED

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NOTES (Continued)

5. NET INTEREST

	2000 £	1999 £
Interest receivable from joint ventures	637,989	429,901
Group Interest payable	(267,554)	(165,324)
	<u>370,435</u>	<u>264,577</u>

6. TAXATION

The amount included for taxation comprises:

	2000 £	1999 £
Income tax	52	13,343
Deferred taxation	-	71,943
	<u>52</u>	<u>85,286</u>

7. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES

	Subsidiary Undertakings £	Joint Ventures £	Total £
At 1 January 2000			
Shares at cost	102	3,695,208	3,695,310
Loans to subsidiary undertakings / joint ventures	-	1,835,301	1,835,301
	<u>102</u>	<u>5,530,509</u>	<u>5,530,611</u>
Movements in the year			
Acquisitions	2	2,718,525	2,718,527
Disposals	-	(2,063,000)	(2,063,000)
Movement in loans to joint ventures	-	8,812,770	8,812,770
Adjustment to provision	-	(4,750,000)	(4,750,000)
	<u>2</u>	<u>4,718,295</u>	<u>4,718,297</u>
At 31 December 2000			
Shares at cost	104	4,350,733	4,350,837
Loans to subsidiary undertakings / joint ventures	-	10,648,071	10,648,071
Provision for impairment	-	(4,750,000)	(4,750,000)
	<u>104</u>	<u>10,248,804</u>	<u>10,248,908</u>

The company's principal subsidiaries and joint ventures are listed on page 11.

In the opinion of the directors the aggregate value of the investments in subsidiary undertakings and joint ventures is not less than the amounts stated in the balance sheet.

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NOTES (Continued)

8. DEBTORS

	2000	1999
	£	£
Amounts owed by group undertakings	-	7,658,187
Other debtors	1,660	1,659
	<u>1,660</u>	<u>7,659,846</u>

9. CREDITORS

	2000	1999
	£	£
Accruals and deferred income	4,000	-
Other Creditors	1,997	-
Amounts owed to group undertakings	8,726,499	9,667,363
Amounts owed to joint ventures	-	500
Corporation Tax	-	-
	<u>8,732,496</u>	<u>9,667,863</u>

10 AUTHORISED SHARE CAPITAL

The authorised share capital of the company is 4 million ordinary shares of £1 each.

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000			1999
	Share capital	Profit & loss account	Shareholders' funds	Total
	£	£	£	£
At beginning of year	3,000,002	523,358	3,523,360	3,058,802
New share capital	-	-	-	-
(Loss)/Profit for the year	-	(1,967,379)	(1,967,379)	464,558
At end of year	3,000,002	(1,444,021)	1,555,981	3,523,360

12 GUARANTEES, CONTINGENT LIABILITIES AND OTHER COMMITMENTS

As at 31 December 2000, future commitments on investments amounted to £190,530.

	Equity £	Loans £	Total £
Between 2 to 5 years	-	190,530	190,530
	<u>0</u>	<u>190,530</u>	<u>190,530</u>

The company, in conjunction with other group companies within the John Laing plc group of companies, has guaranteed certain borrowings of John Laing plc.

NOTES (Continued)

13 TRANSACTIONS WITH RELATED PARTIES

As a greater than 90% subsidiary of John Laing plc, the company has taken advantage of the exemption under Financial Reporting Standard 8, not to provide information on related party transactions with other undertakings within the John Laing group. Note 14 gives details of how to obtain a copy of the published financial statements of John Laing plc.

14 ULTIMATE PARENT UNDERTAKING

The company is a member of the John Laing group of companies, its ultimate and controlling parent company being John Laing plc, a company registered in England and Wales. Copies of the consolidated accounts of John Laing plc are available from its registered office at Page Street, London NW7 2ER.

**PRINCIPAL SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES
OF LAING INFRASTRUCTURE HOLDINGS LIMITED**

Laing Investments Company Limited (Formerly J.L. Ashford Limited) (100%)
100 shares of £1 each
Property development

Altram L.R.T. Limited (33.33%)
1,333,333 ordinary 'B' shares of £1 each
Light rail concession operator

UK Highways M40 Holdings plc (27.5%)
976,250 ordinary shares of £1 each
Road concession operator

Altram (Manchester) Limited (26.1%)
151,375 ordinary 'A' shares of £1 each
Light rail concession operator

John Laing Investments (Hong Kong) Ltd (100%)
Incorporated in Hong Kong
2 ordinary shares of HK\$10 each
Identify and recommend investment opportunities

Laing Rail Limited (100%)
2 Ordinary shares of £1 each
Investment company

All the above companies are incorporated, and operate, in Great Britain and are registered in England and Wales, unless otherwise identified.