

**LAING INVESTMENT COMPANY LIMITED**

**ANNUAL REPORT  
AND  
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2021**



**Registered Number 02916386**

## LAING INVESTMENT COMPANY LIMITED

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### ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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**DIRECTORS AND ADVISORS**

**Directors**

S M Colvin

**Company secretary and registered office**

V Burnett

1 Kingsway

London

United Kingdom

WC2B 6AN

**Principal banker**

Barclays Bank PLC

1 Churchill Place

London

E14 5HP

## **DIRECTORS' REPORT**

The Directors submit the Annual Report and the unaudited financial statements for the year ended 31 December 2021.

### **Directors**

The Directors who held office during the year and up to the date of this report were as follows:

S M Colvin

M C Dixon - resigned 29 October 2021

### **PRINCIPAL ACTIVITIES**

The principal activity of the Company is the rental of Ashford International railway station. There have not been any significant changes in the Company's principal activities in the year under review.

### **FUTURE DEVELOPMENTS**

The Company will continue to be the lessee on the headlease of the Ashford International railway station and the lessor on the sub-lease with JV Estates Limited as the leases moved in to their secondary periods on 5 January 2022 running until 31 December 2068. The additional lease on the Ashford International railway station, which runs for the primary period only and under which the Company as the tenant passes on the variable part of the station's occupational lease income to JV Estates Limited, came to an end on 4 January 2022. However, the Company made the final payment under this lease in April 2021 and, accordingly, the Company's onerous lease provision relating to this lease reduced to £nil in 2021. Going forward, in the secondary period of the leases, the Company will pass on any rental income received under the sub-lease to the lessor under the headlease.

### **RESULTS AND DIVIDENDS**

The loss for the year before taxation amounted to £59,843 (2020 - £147,271). After a tax charge of £16,611 (2020 - tax credit of £27,981), the loss for the year was £76,454 (2020 - £119,290).

### **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 a parent undertaking, John Laing Group Limited,

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. No strategic report has been prepared in accordance with Section 414B of the Companies Act 2006 and the provisions applicable to companies entitled to the small companies' exemption.

The Director's Report was approved by the Board of Directors on 27 September 2022 and signed on its behalf by:



S M Colvin  
Director

27 September 2022

**LAING INVESTMENT COMPANY LIMITED**

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**STATEMENT OF TOTAL COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	<u>2021</u> £	<u>2020</u> £
Turnover	3	9,305	41,050
Cost of sales		<u>(9,305)</u>	<u>(115,360)</u>
<b>Gross loss</b>		-	(74,310)
Administrative expenses		<u>(37)</u>	<u>(3,388)</u>
<b>Operating loss</b>	4	(37)	(77,698)
Net interest payable	7	(59,806)	(69,573)
<b>Loss before taxation</b>		<u>(59,843)</u>	<u>(147,271)</u>
Tax (charge)/credit on loss	8	(16,611)	27,981
<b>Total loss</b>		<u>(76,454)</u>	<u>(119,290)</u>

All items in the statement of total comprehensive income relate to continuing operations.

There is no material difference between the results stated in the statement of total comprehensive income and their historical cost equivalents.

**LAING INVESTMENT COMPANY LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 2021**

	Notes	31 December 2021 £	31 December 2020 £
<b>Current assets</b>			
Debtors	9	11,370	57,064
Other financial assets	10	-	178,444
Cash at bank and in hand		<u>1,151</u>	<u>251,408</u>
		<b>12,521</b>	<b>486,916</b>
<b>Current liabilities</b>			
<b>Creditors:</b> amounts falling due within one year	11	<u>(2,909,715)</u>	<u>(3,005,452)</u>
<b>Net current liabilities</b>		<u>(2,897,194)</u>	<u>(2,518,536)</u>
<b>Total assets less current liabilities</b>		<u>(2,897,194)</u>	<u>(2,518,536)</u>
<b>Provisions for liabilities</b>	12	-	(302,204)
<b>Net liabilities</b>		<u>(2,897,194)</u>	<u>(2,820,740)</u>
<b>Capital and reserves</b>			
Called up share capital	14	100	100
Profit and loss account		<u>(2,897,294)</u>	<u>(2,820,840)</u>
		<u>(2,897,194)</u>	<u>(2,820,740)</u>

For the year ended 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts

The financial statements of Laing Investment Company Limited, registered number 02916386, were approved by the Board of Directors and authorised for issue on 27 September 2022. They were signed on its behalf by:



S M Colvin  
Director

27 September 2022

**LAING INVESTMENT COMPANY LIMITED**

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**STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 January 2020	100	(2,701,550)	(2,701,450)
Loss and total comprehensive expense for the year	-	(119,290)	(119,290)
<b>Balance at 31 December 2020</b>	<b>100</b>	<b>(2,820,840)</b>	<b>(2,820,740)</b>
Loss and total comprehensive expense for the year	-	(76,454)	(76,454)
<b>Balance at 31 December 2021</b>	<b>100</b>	<b>(2,897,294)</b>	<b>(2,897,194)</b>

**LAING INVESTMENT COMPANY LIMITED**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>Net cash outflow from operating activities</b>	16	<b>(460,913)</b>	<b>(424,488)</b>
<b>Investing activities</b>			
Interest received		1,212	3,143
Decrease in other financial assets	10	<b>178,444</b>	177,191
<b>Net cash inflow from investing activities</b>		<b>179,656</b>	180,334
<b>Financing activities</b>			
Net drawdown of loan from parent undertaking		<b>31,000</b>	480,000
<b>Net cash inflow from financing activities</b>		<b>31,000</b>	480,000
<b>Net (decrease)/increase in cash in the year</b>		<b>(250,257)</b>	235,846
<b>Cash at bank and in hand</b>			
Balance as at 1 January		<b>251,408</b>	15,562
Balance as at 31 December		<b>1,151</b>	251,408



## LAING INVESTMENT COMPANY LIMITED

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### Notes to the financial statements for the year ended 31 December 2021

#### 1 ACCOUNTING POLICIES

##### Company information

Laing Investment Company Limited ("the Company") 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 is 1 Kingsway, London, United Kingdom, WC2B 6AN.

##### a) Basis of preparation

The financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The financial statements are presented in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historic cost convention.

The principal accounting policies adopted are set out below.

##### b) Going concern

The Directors have considered the use of the going concern basis in the preparation of the financial statements and concluded that it is appropriate.

At 31 December 2021, the Company's future obligations and liabilities were a loan from the Company's parent undertaking. The Company has received a letter of support from its parent undertaking, which states that it will provide the necessary financial support to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements.

##### c) Turnover

Turnover excludes value added tax and is derived entirely in the United Kingdom. Turnover relates to sub-lease rentals under the Company's operations and is recognised as earned.

##### d) 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.

##### e) Taxation

Current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Profit and Loss Account 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.

##### f) Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

##### g) Lessor accounting

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

##### h) Financial instruments

The Company only has basic financial instruments and therefore has elected to apply the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments.

Notes to the financial statements for the year ended 31 December 2021

1 ACCOUNTING POLICIES (continued)

h) Financial instruments (continued)

Financial assets

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

The basic financial assets that the Company holds are classified as cash at bank and in hand and loans and receivables:

- Cash at bank and in hand in the balance sheet comprises cash at bank and in hand and short-term deposits with original maturity of three months or less. Deposits with original maturity of more than three months are shown as other financial assets.

- Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are initially measured at transaction price including transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment.

*Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

*Derecognition of financial assets*

Financial assets are derecognised 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 to another entity.

Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

*Derecognition of financial liabilities*

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

i) Provisions

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value.

2 Critical accounting judgements and key sources of estimation uncertainty

The Company made the final lease payment on the rental of the Ashford International railway station in April 2021 on what had previously been determined to be an onerous contract for the Company. Therefore, the Directors believe that for the 2021 financial statements they were not required to make any critical accounting judgements or accounting estimates.

**LAING INVESTMENT COMPANY LIMITED**

**Notes to the financial statements for the year ended 31 December 2021**

**3 TURNOVER**

Turnover in the year is analysed as follows:  
Rental income in the UK

<b>2021</b>	<b>2020</b>
<b>£</b>	<b>£</b>
<b>9,305</b>	<b>41,050</b>
<b>9,305</b>	<b>41,050</b>

**4 OPERATING LOSS**

For the year ended 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies and therefore the Company auditor's remuneration was £nil (2020: £3,355). No non-audit services were provided to the Company during the year (2020: £nil).

**5 DIRECTORS' REMUNERATION**

No Directors received any remuneration for services to the Company during the current or prior year. The Company is managed by secondees from the shareholders under a management services contract.

**6 STAFF NUMBERS**

The Company had no employees during the year (2020 - nil).

**7 NET INTEREST PAYABLE**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Interest receivable and similar income</b>		
Interest receivable on bank deposits	<b>45</b>	2,130
	<b>45</b>	2,130
<b>Interest payable and similar expenses</b>		
Interest payable on amounts owed to parent undertakings	<b>(59,851)</b>	(61,468)
Unwinding of discount on provision	<b>-</b>	(10,235)
	<b>(59,851)</b>	(71,703)
<b>Net interest payable</b>	<b>(59,806)</b>	(69,573)

**8 TAX (CHARGE)/CREDIT ON LOSS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<u>Analysis of tax (charge) / credit for the year</u>		
<b>Current tax</b>		
Tax (charge)/credit for current year	<b>11,370</b>	27,981
Adjustments in respect of prior periods	<b>(27,981)</b>	-
Total current tax	<b>(16,611)</b>	27,981
<b>Total tax (charge)/credit on loss</b>	<b>(16,611)</b>	27,981

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Loss before taxation	<b>(59,843)</b>	(147,271)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	<b>11,370</b>	27,981
Adjustment in relation to prior year	<b>(27,981)</b>	-
<b>Total current tax (charge) / credit for the year</b>	<b>(16,611)</b>	27,981

For the year ended 31 December 2021, a tax rate of 19% has been applied (2020 – 19%).

**LAING INVESTMENT COMPANY LIMITED**

**Notes to the financial statements for the year ended 31 December 2021**

**9 DEBTORS**

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Accrued income	-	29,083
Group relief receivable	<b>11,370</b>	<b>27,981</b>
	<b>11,370</b>	<b>57,064</b>

**10 OTHER FINANCIAL ASSETS**

Other financial assets of £nil (2020 - £178,444) comprise cash held within a sinking fund on behalf of the Company which is restricted and held on deposit with an original maturity of greater than three months.

**11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Amounts owed to parent undertaking	<b>(2,909,715)</b>	<b>(2,889,363)</b>
Accruals	-	<b>(116,089)</b>
	<b>(2,909,715)</b>	<b>(3,005,452)</b>

The amounts owed to parent undertaking comprise a loan of £2,849,865 (31 December 2020 - £2,827,895) and interest on the loan of £59,851 (31 December 2020 - £61,468). The loan is repayable on demand. Interest was charged on the loan at 2% above base rate (2020 - 2% above base rate).

**12 PROVISIONS FOR LIABILITIES**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Onerous lease provision</b>		
At 1 January	<b>(302,204)</b>	<b>(592,129)</b>
(Charged)/credited to profit and loss account	-	<b>(2,044)</b>
Unwinding of discount	-	<b>(10,235)</b>
Utilised during the year	<b>302,204</b>	<b>302,204</b>
<b>At 31 December</b>	<b>-</b>	<b>(302,204)</b>

The onerous lease provision represented an amount set aside to cover the net rental shortfall on a lease managed by the Company.

Due to the change in Government policy and the removal of Industrial Buildings Allowances (IBA's), the Company was required to make a provision in 2007 due to increased rental payments under the contract.

The Company made the final payment under this lease in April 2021 and, accordingly, the Company's onerous lease provision relating to this lease reduced to £nil in 2021.

There were no unprovided deferred tax amounts in the current or the previous year.

**13 COMMITMENTS AND CONTINGENT LIABILITIES**

The Company is a lessee under a non-cancellable property rental operating lease expiring in 2022. The Company is a lessor under a related sub-lease arrangement. The minimum lease payments and receipts under the lease are as follows:

	<b>2021</b>		<b>2020</b>	
	<b>Lessee</b>	<b>Lessor</b>	<b>Lessee</b>	<b>Lessor</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Not later than one year	-	-	<b>(439,775)</b>	<b>90,000</b>

The Company had no other contingent liabilities or commitments as at 31 December 2021 (2020 - £nil).

**LAING INVESTMENT COMPANY LIMITED**

**Notes to the financial statements for the year ended 31 December 2021**

**14 CALLED UP SHARE CAPITAL**

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid:</b>		
100 ordinary shares of £1 each	<b>100</b>	<b>100</b>

The profit and loss account reserve represents cumulative losses.

**15 FINANCIAL INSTRUMENTS**

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>£</b>	<b>£</b>
<b>Financial assets measured at amortised cost:</b>		
Other financial assets	-	178,444
Cash at bank and in hand	<b>1,151</b>	<b>251,408</b>
<b>Financial liabilities measured at amortised cost:</b>		
Amounts owed to parent undertaking	<b>(2,909,715)</b>	<b>(2,889,363)</b>
Accruals	-	(116,089)

**16 RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Operating loss	<b>(37)</b>	<b>(77,698)</b>
Decrease in debtors	<b>44,666</b>	<b>4,602</b>
Decrease in creditors	<b>(203,338)</b>	<b>(51,232)</b>
Net decrease in provisions	<b>(302,204)</b>	<b>(300,160)</b>
Net cash outflow from operating activities	<b>(460,913)</b>	<b>(424,488)</b>

**17 TRANSACTIONS WITH RELATED PARTIES**

As a wholly owned subsidiary of John Laing Group Limited, the Company has taken advantage of the exemption under FRS 102 Section 33 not to provide information on related party transactions with other undertakings in the John Laing Group Limited. A copy of the published financial statements of John Laing Group Limited can be obtained from Companies House.

**18 ULTIMATE PARENT UNDERTAKING**

The Company's immediate parent undertaking is John Laing Projects & Developments (Holdings) Limited, a company incorporated in Great Britain and registered in England and Wales.

The Company is ultimately owned by funds advised and managed by KKR & Co. Inc and there is no ultimate parent undertaking.

The Company considers the ultimate controlling party to be KKR & Co. Inc, incorporated in Delaware, United States of America and registered at 30 Hudson Yards, Suite 7500, New York, New York, 1001, United States of America.

**19 EVENTS AFTER BALANCE SHEET DATE**

Following the outbreak of the conflict in Ukraine, the John Laing group undertook a review of its operations including key suppliers and other significant relationships to determine if there was any impact from the escalating conflict. The Company has not experienced any significant impact but will continue to monitor the situation as it develops.

The Company has seen increased short-term inflation in the period following the reporting date. There has not been a significant impact on the Company's operations.