

LAING INVESTMENTS GREENWICH LIMITED

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2006**

WEDNESDAY



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COMPANIES HOUSE

Registered Number: 3074537

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

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DIRECTORS AND ADVISORS

Directors

A Ballsdon	(appointed 15 March 2006)
M Baybutt	(appointed 15 March 2006)
A E Friend	(resigned 8 September 2006)
G S Lucas	(resigned 15 March 2006)
A C Roper	(resigned 15 March 2006)

Company secretary and registered office

P G Shell
Allington House
150 Victoria Street
London SW1E 5LB

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Principal bankers

National Westminster Bank Plc
Brecon Branch
27 High Street
Brecon
Powys
LD3 7LF

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements for the year ended 31 December 2006.

The Director's report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activity of the Company was the 50% holding of an investment in Meridian Hospital Company (Holdings) Limited until 30 June 2006 when it was sold to John Laing Social Infrastructure Limited.

No other investments are held by the Company but the Company will continue to earn interest on amounts due from Group undertakings.

RESULTS AND DIVIDENDS

The profit for the year before taxation amounted to £17,134,000 (2005 - £820,000). After group relief payable of £422,000 (2005 - £246,000), profit for the year was £16,712,000 (2005 - £574,000).

The Directors do not recommend the payment of a dividend (2005 - £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The company is exposed to minimal financial risk as it does not hold any liabilities. Due to the nature of the company's business and the assets contained within the company's balance sheet the directors consider that none of the financial risks are relevant to this company. The Company will propose a dividend payout to clear all its reserve in 2007.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of S234ZA of the Companies Act 1985

DIRECTORS

The Directors who served throughout the year are shown on page 1.

DIRECTORS' INTERESTS

No Director held any interests in the shares of the Company, or had any personal interest in any significant or material contract with the Company, during the year ended 31 December 2006.

The interests of A J Ballsdon in the share capital of the Company's ultimate parent undertaking (as disclosed in note 15) are disclosed in the accounts of John Laing Social Infrastructure Limited.

DIRECTORS' REPORT CONTINUED

SHARE OPTIONS

The following Director participated in the JL Executive Share Option Plan 2002. A reconciliation of the option movements over the year to 31 December 2006 is shown below:

	Balance at 15 March 2006	Exercised	Balance at 31 December 2006	Average exercise price (p)	Earliest date of exercise
M Baybutt	15,284	(15,284)	-	132.85	01/07/2005

LONG-TERM INCENTIVE SCHEMES

Under the John Laing Long-Term Incentive Plan approved by shareholders in 2001, conditional awards were made to the executive Directors and other senior executives. Details of entitlements of the Director who served at 31 December 2006 are set out below:

	At 15 March 2006	Vested	Lapsed	At 31 December 2006
M Baybutt	2,071	(1,222)	(849)	-

Following the acquisition of John Laing plc, by Henderson Infrastructure Holdco Limited, on 22 December 2006 both the JL Executive Share Option Plan 2002 and the John Laing Long-Term Incentive Plan were closed.

As a consequence of the change of control of the Company on 22 December 2006, all outstanding conditional awards under the LTIP vested to the extent that the related performance period had been completed. The remainder of the awards which were transferred to the Director on 22 December 2006, together with the existing shareholdings of the Director on that date were acquired by Henderson Infrastructure Holdco Limited on 22 December 2006 at the offer price of 405 pence per Ordinary Share.

The Director elected to sacrifice 41% of the number of shares to which he was entitled, equating to his Income Tax and National Insurance Contribution liabilities which the Company undertook to settle on his behalf. Thus the number of shares vesting represented 59% of the original award.

Other than as stated above, no Director had any interest in the shares of any other group Company requiring disclosure under the Companies Act 1985.

EMPLOYEES

Details of the number of employees and related costs can be found in note 4 to the financial statements on page 9.

AUDITORS

Pursuant to s.386 Companies Act 1985, an elective resolution was passed on 16 December 2002 to dispense with the requirement to appoint auditors annually. Therefore, Deloitte & Touche LLP will continue in office.

ELECTIVE RESOLUTION

On 16 December 2002, the Company passed an elective resolution to dispense with the holding of annual general meetings and with the laying of accounts and reports before the members in the annual general meeting.

On behalf of the Board



A Ballsdon
Director
08 March 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements. The Directors have chosen to prepare accounts for the company in accordance with United Kingdom Generally Accepted Accounting Practices (UK GAAP). United Kingdom Company law requires the Directors to prepare such 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 of the Company for that period and comply with UK GAAP and the Companies Act 1985.

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' report which complies with the Companies Act 1985.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAING INVESTMENTS GREENWICH LIMITED

We have audited the financial statements of Laing Investments Greenwich Limited for the year ended 31 December 2006 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

08 March 2007

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £'000	2005 £'000
Turnover	1	190	353
Cost of sales		-	-
Gross profit		190	353
Administrative expenses		(193)	(328)
Profit on disposal of investments	7	15,727	-
Operating profit	2	15,724	25
Profit on ordinary activities before interest		15,724	25
Net interest receivable	5	1,410	795
Profit on ordinary activities before taxation		17,134	820
Tax on profit on ordinary activities	6	(422)	(246)
Retained profit for the year transferred to reserves	11,12	16,712	574

A reconciliation of movement in equity shareholders' funds is given in note 12.

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

There is no material difference between the results stated in the profit and loss account and their historical cost equivalents.

All gains and losses are recognised in the profit and loss account in both the current and preceding year, and therefore no separate statement of total recognised gains and losses has been presented.

LAING INVESTMENTS GREENWICH LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £'000	2005 £'000
Fixed assets			
Investments	7	-	2,844
Current assets			
Debtors	8	19,214	523
Cash at bank and in hand		<u>1</u>	<u>531</u>
		19,215	1,054
Creditors: amounts falling due within one year	9	(424)	(1,819)
Net current assets/(liabilities)		<u>18,791</u>	<u>(765)</u>
Total assets less current liabilities		18,791	2,079
Net assets		<u>18,791</u>	<u>2,079</u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	18,791	2,079
Equity shareholders' funds	12	<u>18,791</u>	<u>2,079</u>

The financial statements were approved by the Board of Directors on 08 March 2007 and were signed on its behalf by:



A Ballsdon
Director
08 March 2007

Notes to the financial statements for the year ended 31 December 2006

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

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards. A summary of the principal accounting policies adopted by the Directors, which have been applied consistently, is shown below.

The Company is a wholly owned subsidiary undertaking of John Laing plc and as such is exempt under FRS 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 and joint ventures are reflected in these accounts only to the extent that dividends have been declared.

b) Turnover

Turnover comprises fees received from joint venture companies for services provided in the ordinary course of business, net of value added tax. Turnover is derived entirely in the United Kingdom.

c) Investments

Fixed asset investments are shown at cost less provision for impairment. Income from investments is included in the profit and loss account as declared.

d) Taxation

Current tax, including United Kingdom Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

In accordance with FRS 19 'Deferred Tax', deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are not discounted.

2 OPERATING PROFIT

	2006 £'000	2005 £'000
Profit for the year is stated after charging:		
Fees payable to the Company's auditors for the audit of the Company's annual accounts	<u>2</u>	<u>3</u>

3 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.

Notes to the financial statements for the year ended 31 December 2005 (continued)

4 STAFF NUMBERS

The Company had no employees during the year (2005 - nil).

5 NET INTEREST RECEIVABLE

	2006 £'000	2005 £'000
Interest receivable and similar income		
Interest received and early redemption premium on unsecured loan to investment in joint venture	782	887
Interest receivable from group undertakings	628	-
	<u>1,410</u>	<u>887</u>
Interest payable and similar charges		
Interest payable to group undertakings	-	(92)
	<u>-</u>	<u>(92)</u>
Net interest receivable	<u>1,410</u>	<u>795</u>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2006 £'000	2005 £'000
<u>Analysis of charge for the year</u>		
Current tax		
UK corporation tax - group relief payable	(422)	(246)
Total current tax	<u>(422)</u>	<u>(246)</u>
	2006 £'000	2005 £'000
Profit on ordinary activities before tax	<u>17,134</u>	<u>820</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 30%)	(5,140)	(246)
Effects of:		
Non-taxable profit on disposal of subsidiary	4,718	-
Total current tax charge for the year	<u>(422)</u>	<u>(246)</u>

Notes to the financial statements for the year ended 31 December 2006 (continued)

7 INVESTMENTS

	Shares in joint venture £'000	Loans to joint venture £'000	Total £'000
Cost			
At 1 January 2006			
Meridian Hospital Company (Holdings) Limited	25	2,819	2,844
Disposals			
Meridian Hospital Company (Holdings) Limited	(25)	(2,819)	(2,844)
Net book value			
At 31 December 2006			
Meridian Hospital Company (Holdings) Limited	-	-	-

The sole investment, which was sold on 30 June 2006, was a 50% share in The Meridian Hospital Company (Holdings) Limited whose sole business is the holding of an investment in its wholly owned subsidiary, Meridian Hospital Company plc. The Meridian Hospital Company plc holds a concession to design, finance, construct and part operate the Queen Elizabeth Hospital, Greenwich, under the Government's Private Finance Initiative.

A profit of £15,727,498 was made on this disposal.

	£'000
Consideration	15,752,498
Net assets disposed of	(25,000)
Gain on disposal	<u>15,727,498</u>

8 DEBTORS

	2006 £'000	2005 £'000
<u>Due within one year:</u>		
Amounts owed by group undertakings	<u>19,214</u>	<u>523</u>
	<u>19,214</u>	<u>523</u>

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £'000	2005 £'000
Amounts owed to group undertakings	422	1,816
Other taxation and social security	-	1
Accruals and deferred income	<u>2</u>	<u>2</u>
	<u>424</u>	<u>1,819</u>

10 CALLED UP SHARE CAPITAL

	2006 No.	2005 No.
Authorised:		
Ordinary Shares at £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid:		
1 Ordinary Share at £1	<u>£ 1</u>	<u>£ 1</u>

Notes to the financial statements for the year ended 31 December 2006 (continued)

11 MOVEMENT IN RESERVES

	Profit and loss account £'000
At 1 January 2006	2,079
Retained profit for the year	16,712
At 31 December 2006	<u>18,791</u>

12 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2006 £'000	2005 £'000
Opening shareholders' funds	2,079	1,505
Profit for the financial year	16,712	574
Closing shareholders' funds	<u>18,791</u>	<u>2,079</u>

13 CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

The company is an obligor under the unsecured £115 million revolving credit facility dated 13 December 2004 entered into by John Laing plc and certain of its subsidiaries and hence guarantees utilisations under this facility. At 31 December 2006, the amount drawn down under this facility was nil (2005 - £nil).

14 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 plc group. Note 15 gives details of how to obtain a copy of the published financial statements of John Laing plc.

15 ULTIMATE PARENT UNDERTAKING

The largest and smallest group in which the Company's results are consolidated, is John Laing plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated accounts of John Laing plc are available from Companies House, Crown Way, Cardiff CF14 3UZ.

Prior to 22 December 2006, the Company's ultimate parent and controlling entity was John Laing plc. From this date the Company's ultimate parent and controlling entity is Henderson Infrastructure Holdco (Jersey) Limited, a company incorporated in Jersey, Channel Islands.

Henderson Infrastructure Holdco (Jersey) Limited was incorporated on 13 September 2006 and will not prepare consolidated accounts at 31 December 2006.