

Company Registration No. 03310613 (England and Wales)

COUNTYROUTE 2 LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



COUNTYROUTE 2 LIMITED

COMPANY INFORMATION

Directors	A S Pearson A Gates	(Appointed 3 July 2018) (Appointed 19 December 2018)
Secretary	HCP Management Services Limited	
Company number	03310613	
Registered office	8 White Oak Square London Road Swanley Kent BR8 7AG	
Auditor	Deloitte LLP Statutory Auditor London United Kingdom	
Bankers	Commerzbank AG London Branch PO Box 52715 London EC2P 2XY	

COUNTYROUTE 2 LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 14

COUNTYROUTE 2 LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present the strategic report for the year ended 31 December 2018.

Business review

The principal activity of the Company is the holding of an unlisted investment of 1 ordinary share in CountyRoute (A130) plc, a Special Purpose Company set up to fulfil obligations under a PFI contract with Essex County Council.

Countyroute A130 Plc was set up for the design, financing, and construction of the new A130 dual carriageway road under a Concession Agreement between the Company and the Client, Essex County Council, dated 20 October 1999. The construction of the road was divided into a Northern Scheme, which was completed on 18 February 2002, and a Southern Scheme, completion of which was achieved on 8 September 2003.

Financial close was achieved on 20 October 1999. The concession period is 30 years. The completion certificate for the initial construction works was received on 8 September 2003.

Countyroute (A130) Plc is currently in a position of default under the Facilities Agreement and the senior debt lenders have reserved their rights in relation to this position. Countyroute (A130) Plc continues to be in positive discussions with the senior debt lenders to resolve this issue, who remain supportive of the long-term future of the project as evidenced by the senior debt lenders recently approving the latest financial model. The Directors have also reviewed Countyroute (A130) Plc's forecasts and projections, taking into account future cash requirements (including the repayment of interest and principal of the senior debt) and forecast receipts, which show that Countyroute (A130) Plc can continue to meet its debts as they fall due. The Directors have also considered other mitigating factors available to them including possible parental support. On this basis the Directors continue to prepare the financial statements on a going concern basis.

The Company profit after taxation for the year is £nil (2017: £nil) and the net assets of the Company are £500 (2017: £500).

Development and performance

The Directors are not aware, at the date of this report, of any major changes in the Company's activities in the next year.

On behalf of the board



A S Pearson

Director

3 April 2019

COUNTYROUTE 2 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their annual report and audited financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the Company is the holding of unlisted investment of one ordinary share in Countyroute (A130) plc, a Special Purpose Company set up to fill obligations under a PFI contract with Essex County Council.

The Company continued its holding of its investment in CountyRoute (A130) plc, which continues to operate 14 km of road until the concession ends on 31 January 2030.

There have not been any significant changes in the Company's principal activities in the year under review. During the year, the road has continued to perform well.

Directors

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

D Bradbury	(Resigned 3 July 2018)
J Olding	(Resigned 3 July 2018)
A J Cahill	(Appointed 3 July 2018 and resigned 18 December 2018)
A S Pearson	(Appointed 3 July 2018)
A Gates	(Appointed 19 December 2018)

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies in the notes to the financial statements.

Countyroute (A130) Plc is currently in a position of default under the Facilities Agreement and the senior debt lenders have reserved their rights in relation to this position. Countyroute (A130) Plc continues to be in positive discussions with the senior debt lenders to resolve this issue, who remain supportive of the long-term future of the project as evidenced by the senior debt lenders recently approving the latest financial model. The Directors have also reviewed Countyroute (A130) Plc's forecasts and projections, taking into account future cash requirements (including the repayment of interest and principal of the senior debt) and forecast receipts, which show that Countyroute (A130) Plc can continue to meet its debts as they fall due. The Directors have also considered other mitigating factors available to them including possible parental support. On this basis the Directors continue to prepare the financial statements on a going concern basis.

Results

No ordinary dividends were paid (2017: £nil). The Directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its Directors during the year. These provisions remain in force at the reporting date.

Future developments

The Directors are not aware, at the date of this report, of any major changes in the Company's activities in the next year.

Auditor

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

COUNTYROUTE 2 LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of disclosure to auditor

Each of the Directors in office at the date of approval of this annual report confirms that:

- so 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 provisions of section 418 of the Companies Act 2006.

On behalf of the board



A S Pearson

Director

3 April 2019

COUNTYROUTE 2 LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

COUNTYROUTE 2 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNTYROUTE 2 LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Countyroute 2 Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the balance sheet;
- the statement of changes in equity; and
- the related notes on pages 10 - 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 (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 the 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.

COUNTYROUTE 2 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF COUNTYROUTE 2 LIMITED

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 Directors' responsibilities statement, the Directors 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: <http://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 our audit:

- the information given in the strategic report and the Directors' report 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.

COUNTYROUTE 2 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF COUNTYROUTE 2 LIMITED

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, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

D. Winstone

Daryl Winstone (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

London

United Kingdom

3 April 2019

COUNTYROUTE 2 LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	6		1		1
Current assets					
Debtors	7	500		500	
Net current assets			500		500
Total assets			501		501
Creditors: amounts falling due after more than one year	8		(1)		(1)
Net assets			500		500
Capital and reserves					
Called up share capital	9		500		500

Given that the company did not have any revenue or expenses during the year a statement of comprehensive income has not been prepared.

The financial statements were approved by the board of directors and authorised for issue on 3 April 2019 and are signed on its behalf by:



A S Pearson
Director

Company Registration No. 03310613

COUNTYROUTE 2 LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2017	500	-	500
Year ended 31 December 2017:			
Profit and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	500	-	500
Year ended 31 December 2018:			
Profit and total comprehensive income for the year	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2018	<u>500</u>	<u>-</u>	<u>500</u>

COUNTYROUTE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Countyroute 2 Limited is a private company limited by shares, domiciled and incorporated in United Kingdom and registered in England and Wales. The registered office is 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG.

1.1 Accounting convention

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

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

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

The Company cannot take any exemptions in not preparing a cash flow statement. However, as the Company did not have any cash flows in the year, nor has a bank account a cash flow statement has not been prepared.

As the Company only holds one share and consequently does not control Countyroute (A130) plc the group accounts are not required to be prepared.

A statement of comprehensive income has not been prepared since there was no movement in the year.

1.2 Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Countyroute (A130) Plc is currently in a position of default under the Facilities Agreement and the senior debt lenders have reserved their rights in relation to this position. Countyroute (A130) Plc continues to be in positive discussions with the senior debt lenders to resolve this issue, who remain supportive of the long-term future of the project as evidenced by the senior debt lenders recently approving the latest financial model. The Directors have also reviewed Countyroute (A130) Plc's forecasts and projections, taking into account future cash requirements (including the repayment of interest and principal of the senior debt) and forecast receipts, which show that Countyroute (A130) Plc can continue to meet its debts as they fall due. The Directors have also considered other mitigating factors available to them including possible parental support. On this basis the Directors continue to prepare the financial statements on a going concern basis.

1.3 Fixed asset investments

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

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

COUNTYROUTE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Company holds a long-term interest and where the Company has significant influence. The Company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the Company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.4 Financial instruments

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

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

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

COUNTYROUTE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.5 Equity Instruments

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

1.6 Taxation

There was no tax charge in the current or prior year.

2 Critical accounting judgements and key sources of estimation uncertainty

Given the nature of the Company's assets and liabilities, the Directors are of the opinion that there are no critical accounting judgements or key sources of estimation uncertainty.

3 Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Fees payable to the Company's auditor for the audit of the Company and the Company's parent company	-	-
	==	==

4 Employees

The Company had no employees during the current or prior year.

5 Directors' remuneration

No directors received any remuneration for services to the Company during the current or prior year.

6 Fixed asset investments

	2018	2017
	£	£
Investments in subsidiaries	1	1
	==	==

COUNTYROUTE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Fixed asset investments

(Continued)

The sole investment is a minority interest (less than 1%) in CountyRoute (A130) plc, which is incorporated in Great Britain and registered in England and Wales and has a registered address of 8 White Oak Square, London Road, Swanley, Kent, BR8 7AG. It's principal activity is to design, build, finance and operate roads in accordance with an agreement with the Essex County Council.

In the opinion of the Directors the value of the investment in subsidiary undertaking is not less than the amount stated in the balance sheet.

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2018 & 31 December 2018	1
Carrying amount	
At 31 December 2018	1
At 31 December 2017	1

7 Debtors

	2018 £	2017 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	500	500

The amount is not repayable on demand and no interest is charged.

8 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Amounts owed to group undertakings	1	1

The amount is not repayable on demand and no interest is charged.

9 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued		
500 ordinary shares of £1 each	500	500
	500	500

COUNTYROUTE 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Related party transactions

During the year there were no related party transactions.

11 Controlling party

The Company's immediate parent company is John Laing Infrastructure Limited, a company incorporated in Great Britain and registered in England and Wales. No company consolidates the results of this company.

The Company's ultimate parent and controlling entity is John Laing Group plc, 1 Kingsway, London, WC2B 6AN, a company incorporated in Great Britain, and registered in England and Wales. Copies of the consolidated accounts of John Laing Group plc are available from the company's website www.laing.com.