

**Strategic Report, Director's Report and
Audited Financial Statements for the Year Ended 31 March 2019
for
Laing O'Rourke Holdings Limited**



**Contents of the Financial Statements
for the Year Ended 31 March 2019**

	Page
Strategic Report	1
Director's Report	2
Independent Auditors' Report	5
Income Statement	7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Laing O'Rourke Holdings Limited

**Company Information
for the Year Ended 31 March 2019**

DIRECTOR: A S McIntyre

SECRETARY: R E Turner

REGISTERED OFFICE: Bridge Place
Anchor Boulevard
Admirals Park, Crossways
Dartford
Kent
DA2 6SN

REGISTERED NUMBER: 04222533 (England and Wales)

INDEPENDENT AUDITORS: PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

**Strategic Report
for the Year Ended 31 March 2019**

The director presents their Strategic Report of Laing O'Rourke Holdings Limited ("Company") for the year ended 31 March 2019.

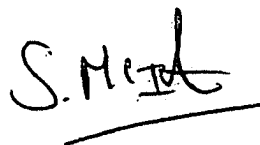
BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company is a wholly owned subsidiary of Laing O'Rourke Plc and a member of the Laing O'Rourke Corporation Limited Group ("Group") that is domiciled in England and Wales. A summary of the results is shown in the Director's Report on page 2. The director is disappointed with the financial loss of the Company. The director does not expect any changes to investments held.

The directors of Laing O'Rourke Corporation Limited manage financial risks, including Brexit, for the Group as a whole, rather than as individual entities. For this reason, the Company's director believes that analysis of the Company's risks should be viewed in the context of the Group. The principal risks and uncertainties of Laing O'Rourke Corporation Limited, which include those of the Company, are discussed in the Group's financial statements (which are available publicly and can be obtained from the Department of Registrar of Companies in Cyprus upon payment of the appropriate fee) however, do not form part of this report.

The directors of Laing O'Rourke Corporation Limited manage the Group's operations on a divisional basis. For this reason, the Company's director believes that analysis using key performance indicators should be viewed in the context of the Group. The development, performance and position of the Europe hub of Laing O'Rourke Corporation Limited, which include those of the Company, are discussed in the Group's financial statements which are available publicly, however, do not form part of this report.

ON BEHALF OF THE BOARD:



.....
A S McIntyre - Director

Date: 9 October 2019

**Director's Report
for the Year Ended 31 March 2019**

The director presents their Director's Report together with the audited financial statements of Laing O'Rourke Holdings Limited ("Company") for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company were those of the holding of subsidiary undertakings.

Information in respect of the Business Review, Financial Risks, Principle Risks and Uncertainties, as well as the future developments are not discussed in the Director's Report because they are presented on page 1 within the Strategic Report in accordance with s414c(11) of the Companies Act 2006.

BUSINESS REVIEW

The results for the year are set out on the Income Statement on page 7.

Revenue for the year was £nil (2018: £nil). The loss before taxation was £110,000 (2018: loss of £7,560,000), and the loss for the financial year was £53,000 (2018: loss of £7,650,000). Total shareholders' funds of the Company at 31 March 2019 were £13,088,000 (2018: £13,141,000).

GOING CONCERN

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The Company is a member of the group of companies whose ultimate parent is Laing O'Rourke Corporation Limited (the "Laing O'Rourke Group"). The directors have assessed whether the going concern basis of preparation is appropriate by reference to the position of the entire Group, as the Company is reliant on financial support from this group of companies.

The directors of Laing O'Rourke Corporation Limited have carefully considered those factors likely to affect the Group's future development, performance and financial position in relation to the ability of the Group to operate within its current and foreseeable resources, financial and operational.

Whilst the Group's consolidated financial statements were prepared on the assumption that the Group will continue to operate as a going concern for the foreseeable future, the Group's directors have disclosed in those financial statements a material uncertainty arising from the current political and economic environment that may cast significant doubt about the ability of the Group to continue as a going concern. As the Company relies upon its trading relationship with the Group, and financial support from the Group, the conditions within the Group indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Having made the appropriate enquiries and considering the uncertainties described in the financial statements of Laing O'Rourke Corporation Limited, the Company's director has a reasonable expectation that the ultimate parent company, and therefore the Company, have adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

**Director's Report
for the Year Ended 31 March 2019**

CHANGE IN ACCOUNTING STANDARDS

During the year the Company implemented IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' which has an immaterial impact to the financial statements.

DIRECTOR

A S McIntyre has held office from 1 April 2018 to the date of this report.

DIVIDENDS

No dividends were declared or paid during the year (2018: £nil). The director does not recommend the payment of a final dividend (2018: £nil).

DIRECTOR'S INDEMNITIES

As permitted by the Articles of Association, the director has the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its director.

EMPLOYMENT POLICY

The Group continues to provide employees with relevant information and to seek their views on matters of common concern through their representatives and through line managers. Priority is given to ensuring that employees are aware of significant matters affecting the Company's trading position and of any significant organisational changes. The Group treats each application for employment, training and promotion on merit. Full and fair consideration is given to both disabled and able-bodied applicants and employees. If existing employees become disabled, every effort is made to find them appropriate work and training is provided if necessary.

HEALTH, SAFETY AND WELFARE

The Group is committed to ensuring the health, safety and welfare of all employees at work. All reasonable measures have been taken to achieve this policy. Arrangements have been made to protect other persons against risk to health and safety arising from the activities of the Group's employees when at work.

**Director's Report
for the Year Ended 31 March 2019**

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Strategic Report, Director's Report and Audited Financial Statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the director 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 the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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.

The director is 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.

DIRECTOR'S CONFIRMATIONS

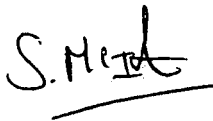
In the case of each director in office at the date of the Director's Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
A S McIntyre - Director

9 October 2019

**Independent Auditors' Report to the Members of
Laing O'Rourke Holdings Limited**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Laing O'Rourke Holdings Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Director's Report and Audited Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2019; the Income Statement, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the Company's ability to continue as a going concern.

The Company relies upon its trading relationship with the group of companies whose ultimate parent is Laing O'Rourke Corporation Limited (the "Group") and financial support from the Group. As the conditions within the Group indicate the existence of a material uncertainty, this may cast significant doubt about the Group's ability to continue as a going concern and to provide the required financial support.

These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

**Independent Auditors' Report to the Members of
Laing O'Rourke Holdings Limited**

Strategic Report and Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Director's Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Director's Responsibilities Statement set out on page 4, the director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The director is also responsible for such internal control as they 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 director is 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Mark Gill (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

9 October 2019

Laing O'Rourke Holdings Limited (Registered number: 04222533)

**Income Statement
for the Year Ended 31 March 2019**

	Notes	2019 £'000	2018 £'000
REVENUE		-	-
Administrative expenses		<u>(279)</u>	<u>(7,652)</u>
OPERATING LOSS		(279)	(7,652)
Interest receivable and similar income	4	182	92
Interest payable and similar expenses	5	<u>(13)</u>	<u>-</u>
LOSS BEFORE TAXATION	6	(110)	(7,560)
Tax on loss	7	<u>57</u>	<u>(90)</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(53)</u></u>	<u><u>(7,650)</u></u>

The notes on pages 11 to 19 form part of these financial statements.

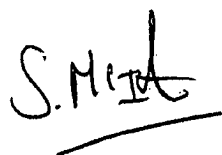
Statement of Comprehensive Income
for the Year Ended 31 March 2019

	Notes	2019 £'000	2018 £'000
LOSS FOR THE YEAR		(53)	(7,650)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(53)</u>	<u>(7,650)</u>

Statement of Financial Position
31 March 2019

	Notes	2019 £'000	2018 £'000
FIXED ASSETS			
Investments	8	231,329	231,608
CURRENT ASSETS			
Cash at bank and in hand		122,752	78,984
CREDITORS:			
Amounts falling due within one year	9	(340,993)	(297,451)
NET CURRENT LIABILITIES		<u>(218,241)</u>	<u>(218,467)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>13,088</u>	<u>13,141</u>
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Retained earnings		<u>13,088</u>	<u>13,141</u>
TOTAL SHAREHOLDERS' FUNDS		<u>13,088</u>	<u>13,141</u>

The financial statements on pages 7 to 19 were authorised for issue by the director on 9 October 2019 and were signed by:



.....
A S McIntyre - Director

**Statement of Changes in Equity
for the Year Ended 31 March 2019**

	Called up share capital £'000	Retained earnings £'000	Total shareholders' funds £'000
Balance at 1 April 2017	-	20,791	20,791
Changes in equity			
Loss for the financial year and total comprehensive expense	-	(7,650)	(7,650)
Balance at 31 March 2018	-	13,141	13,141
Changes in equity			
Loss for the financial year and total comprehensive expense	-	(53)	(53)
Balance at 31 March 2019	-	13,088	13,088

The notes on pages 11 to 19 form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 March 2019**

1. STATUTORY INFORMATION

Laing O'Rourke Holdings Limited is a private company, limited by shares, incorporated and domiciled in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements of Laing O'Rourke Holdings Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

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

The financial statements are presented in Sterling (£) which is the functional currency for the Company.

Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The Company is a member of the group of companies whose ultimate parent is Laing O'Rourke Corporation Limited (the "Laing O'Rourke Group"). The directors have assessed whether the going concern basis of preparation is appropriate by reference to the position of the entire Group, as the Company is reliant on financial support from this group of companies.

The directors of Laing O'Rourke Corporation Limited have carefully considered those factors likely to affect the Group's future development, performance and financial position in relation to the ability of the Group to operate within its current and foreseeable resources, financial and operational.

Whilst the Group's consolidated financial statements were prepared on the assumption that the Group will continue to operate as a going concern for the foreseeable future, the Group's directors have disclosed in those financial statements a material uncertainty arising from the current political and economic environment that may cast significant doubt about the ability of the Group to continue as a going concern. As the Company relies upon its trading relationship with the Group, and financial support from the Group, the conditions within the Group indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Having made the appropriate enquiries and considering the uncertainties described in the financial statements of Laing O'Rourke Corporation Limited, the Company's director has a reasonable expectation that the ultimate parent company, and therefore the Company, have adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

2. ACCOUNTING POLICIES - continued

Adoption of standards

The following standards, amendments and interpretations became effective in the year ended 31 March 2019 and have been adopted:

- a) IFRS 15, Revenue from Contracts with Customers
- b) IFRS 9, Financial Instruments
- c) Clarifications to IFRS 15 'Revenue from Contracts with Customers'

The effect on the Company's financial statements of adopting these standards has been determined to be minimal.

IFRS 9 - Financial Instruments

IFRS 9 sets out the requirements for recognising and measuring financial assets and liabilities. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The adoption of IFRS 9 from 1 April 2018 did not result in any material adjustments to amounts recognised in the Company's financial statements. Financial assets are held to collect the contractual cash flows by the Company. There is no material impact of adopting an expected credit loss model for the impairment of financial assets. The Company is not involved in hedged transactions.

IFRS 15 - Revenue from contracts with Customers

IFRS 15 has replaced the standards IAS 18 Revenue and IAS 11 Construction Contracts. The new standard moves away from the 'risks and rewards' concept of revenue recognition to a concept of transfer of control. The main changes for the Company in the adoption of this standard are that variable consideration in the transaction price can only be included if its highly probable (rather than probable) its inclusion will not result in a significant revenue reversal in the future when uncertainty is resolved. Revenue recognition is now based on the satisfaction of individual performance obligations and are satisfied at a point in time. There was an immaterial impact on adoption of this new standard in the financial statements.

Basis of consolidation

The results of the Company have been incorporated into the consolidated financial statements of Laing O'Rourke Corporation Limited, which are publicly available, therefore the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

2. ACCOUNTING POLICIES - continued

Current and deferred tax

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the statement of financial position 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 statement of financial position date.

A deferred tax asset is recognised 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 against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is measured on an undiscounted basis.

Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Interest payable

Borrowing costs are charged to the Income Statement on an accruals basis over the term of the instrument, using the effective interest method.

Investments

Fixed asset investments are stated at cost less provision for a permanent diminution in value. Income from investments is included in the income statement account as committed.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Trade and other payables

Trade and other payables are initially recorded at fair value and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

2. ACCOUNTING POLICIES - continued

Key judgements and estimation uncertainty

The preparation of financial statements under FRS 101 requires management to make estimates and assumptions that affect amounts recognised for assets and liabilities at the statement of financial position date and the amounts of revenue and expenses incurred during the reported period. Actual outcomes may therefore differ from these estimates and assumptions. These estimates and assumptions that have the most significant impact on the carrying value of assets and liabilities of the Company within the next financial year are detailed as follows:

a) Disputes

Management's best judgement has been taken into account in reporting disputed amounts, legal cases and claims but the actual future outcome may be different from this judgement.

b) Taxation

The Company is subject to tax and judgement is required in determining the provision for income taxes including the recognition of deferred tax assets. The Company provides for future liabilities in respect of uncertain tax positions where additional tax may become payable in future periods and such provisions are based upon management's assessment of exposures. Assets are only recognised where it is reasonably certain additional tax will become payable in future periods and when the asset can be utilised.

c) Financial risk management

In the course of its business, the Company is exposed to foreign currency risk, liquidity risk, interest rate risk and credit risk. The overall aim of the Company's financial risk management policies, processes and controls is to use judgement to minimise potential adverse effects on financial performance and net assets. Further details are provided in the Director's Report.

3. EMPLOYEES AND DIRECTORS

The Company has no employees (2018: none). All of the directors and staff working on the Company's contracts are employed by another subsidiary undertaking of Laing O'Rourke Corporation Limited, Laing O'Rourke Services Limited. Costs for staff are incurred on the basis of time spent on the Company's contracts and these costs are included in cost of sales or administrative expenses as appropriate. The management charge includes a recharge of administrative costs borne by Laing O'Rourke Services Limited on behalf of the Company and it is not possible to identify separately the amount of directors' emoluments.

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£'000	£'000
Bank interest	54	92
Other income	<u>128</u>	<u>-</u>
	<u>182</u>	<u>92</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£'000	£'000
Bank interest	<u>13</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

6. LOSS BEFORE TAXATION

Loss before taxation is stated after charging:

	2019	2018
	£'000	£'000
Provision for diminution in value of investments	279	1,704
Increase of impairment of intercompany receivables	-	5,948

The audit fee and other administrative expenses of the Company were borne by another Group company, Laing O'Rourke Services Limited.

7. TAXATION

	2019	2018
	£'000	£'000
Current tax		
UK corporation tax	-	18
Adjustments in respect of prior years	(57)	72
Total tax (credit)/ charge on loss	(57)	90

The tax assessed for the year is lower (2018: higher) than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019	2018
	£'000	£'000
Loss before taxation	(110)	(7,560)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(21)	(1,436)
Effects of:		
- expenditure that is not tax deductible	-	1,131
- diminution in value of investments	53	323
- group relief for no credit/ at no charge	(32)	-
- adjustments in respect of prior years	(57)	72
Total tax (credit)/ charge	(57)	90

Group companies will between them no longer charge for the surrender of tax losses, unless specifically agreed between the surrendering and claimant companies.

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Act 2016 on 15 September 2016. These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the statement of financial position date have been measured using this enacted tax rate and reflected in these financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

8. INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1 April 2018 and 31 March 2019	<u>448,590</u>
PROVISIONS	
At 1 April 2018	216,982
Provision for year	<u>279</u>
At 31 March 2019	<u>217,261</u>
NET BOOK VALUE	
At 31 March 2019	<u><u>231,329</u></u>
At 31 March 2018	<u><u>231,608</u></u>

The impairment relates to provision for diminution in value of subsidiary undertakings with respect to their net asset positions at 31 March 2019.

The director believes that the carrying value of investments is supported by their underlying net assets.

Holdings

The Company holds an interest either directly or indirectly through other Group companies in the following companies (100% interest in ordinary voting shares unless otherwise stipulated):

Country of incorporation or registration: England and Wales

Registered address: Bridge Place, Anchor Boulevard, Admirals Park, Dartford, Kent DA2 6SN

Subsidiary undertaking	Principal activity
Cellence Plus Limited	Recruitment
Crown House Technologies Limited	Mechanical and electrical engineering
Dove Brothers Limited	Non-trading
Ellis Mechanical Services Limited	Non-trading
Expanded Demolition Limited	Non-trading
Expanded Limited	Civil and structural engineering, piling and demolition
Expanded Piling Limited	Non-trading
Expanded Structures Limited	Civil and structural engineering
Explore Manufacturing Limited	Manufacture of construction products
Glass Reinforced Concrete UK Limited	Manufacture and supply of glass reinforced concrete building products
John Laing Construction Limited	Building contracting and civil engineering
John Laing International Limited	Overseas contracting
Laing Construction Limited	Holding company
Laing Engineering Limited	Non-trading
Laing Limited	Building and civil engineering
Laing O'Rourke Construction Limited	Building contracting, civil engineering and infrastructure
Laing O'Rourke Construction South Limited	Building contracting
Laing O'Rourke Group Services Limited	Non-trading
Laing O'Rourke Infrastructure Limited	Civil engineering and infrastructure

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

8. INVESTMENTS (continued)

Country of incorporation or registration: England and Wales

Registered address: Bridge Place, Anchor Boulevard, Admirals Park, Dartford, Kent DA2 6SN

Subsidiary undertaking	Principal activity
Laing O'Rourke Manufacturing Holdings Limited	Holding company
Laing O'Rourke Manufacturing Limited	Manufacture of pre-cast concrete
Laing O'Rourke Midlands Limited	Building contracting
Laing O'Rourke Properties (Erith) Limited	Investment property management
Laing O'Rourke Scotland Limited	Building contracting
Laing O'Rourke Services Limited	Service company
Laing O'Rourke Utilities Limited	Non-trading
Laing O'Rourke Wales & West Limited	Building contracting
Maravale Investments (UK) Limited	Commercial property management
O C Summers Limited	Non-trading
O'Rourke Civil & Structural Engineering Limited	Non-trading
O'Rourke Civil Engineering Limited	Non-trading
R O'Rourke & Son Limited	Holding company
Select Plant Hire Company Limited	Plant hire and operations
Strongforce Engineering Limited	Specialist concrete contracting
Vetter UK Limited	Finished stone products

Country of incorporation or registration: Republic of Ireland

Registered address: 25/28 North Wall Quay, Dublin 1

Subsidiary undertaking	Principal activity
Henry O'Rourke Limited	Non-trading
Strongforce Ireland Limited	Non-trading

Country of incorporation or registration: Malaysia

Registered address: c/o Signet & Co Sdn Bhd, 10th Floor Tower Block, Komple Jalan Sultan Ismail, Kuala Lumpur

Subsidiary undertaking	Principal activity
John Laing (Malaysia) Sdn Bhd	Overseas contracting

Country of incorporation or registration: Nigeria

Registered address: 98 Awolow Road, P.O. Box 53756, Ikoyi, Lagos

Subsidiary undertaking	Principal activity
Laing International Nigeria Ltd	Dormant company

Country of incorporation or registration: United Arab Emirates

Registered address: Sheikh Khalifa Street, Abu Dhabi

Subsidiary undertaking	Principal activity
Laing Abu Dhabi LLC	Building contracting and civil engineering (49%)

Country of incorporation or registration: England and Wales

Registered address: Bridge Place, Anchor Boulevard, Admirals Park, Dartford, Kent DA2 6SN

Joint venture	Principal activity
BYLOR Services Limited	Utility project construction (50%)
CLM Delivery Partner Limited	Non-trading (37.5%)
Explore Transport Limited	Logistics (50%)

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

8. INVESTMENTS (continued)

Country of incorporation or registration: England and Wales

Registered address: Bridge Place, Anchor Boulevard, Admirals Park, Dartford, Kent DA2 6SN

Joint arrangements whose principal activity was that of civil engineering

BYLOR (50%)

COLOR Bond Street (50%)

COLOR Farringdon (50%)

COLOR Kings Cross (50%)

East West Alliance (33%)

FLO - Northern Line Extension (50%)

FLO - Thames Tideway Tunnel (50%)

Heathrow East Terminal Project (50%)

LM (50%)

M-Pact Manchester (60%)

SAIP Alliance (33%)

Disposals

Veolia LOR Omega joint arrangement on 3 July 2018

Glen Water (Holdings) Limited, Glen Water Limited, Omega Limited and Portfolio Solutions (Northern Ireland) Limited on 13 December 2018

Dissolutions

Laing Management Limited, and Malling Pre-Cast Limited on 16 July 2019

Laing O'Rourke Retail Investments Limited on 6 August 2019

The strike off process has commenced for Strongforce Ireland Limited and Henry O'Rourke Limited.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£'000	£'000
Amounts owed to group undertakings	<u>340,993</u>	<u>297,451</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018
			£	£
1 (2018: 1)	Ordinary	£1	<u>1</u>	<u>1</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

11. **ULTIMATE PARENT COMPANY**

The immediate parent undertaking of Laing O'Rourke Holdings Limited is Laing O'Rourke Plc, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Suffolk Partners Corporation, a company incorporated in the British Virgin Islands.

Laing O'Rourke Corporation Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2019. Copies of the Laing O'Rourke Corporation Limited consolidated financial statements are available for viewing at the Registrar of Companies in Cyprus on payment of the appropriate fee.

Laing O'Rourke Plc is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Laing O'Rourke Plc are available from the Registrar of Companies in England and Wales on payment of the appropriate fee.

12. **CONTINGENT LIABILITIES**

The Company has given performance and trade guarantees in the normal course of business. The Company is party to disputes from which legal actions have or may arise in the ordinary course of business. While the outcome of these disputes is uncertain, the director believes that, except where provided in these financial statements, no material loss to the Company will occur. In forming their opinion the director has taken relevant legal advice.

13. **RELATED PARTY DISCLOSURES**

As a wholly owned subsidiary within the Group, the Company has taken advantage of the exemption permitted by FRS 101 not to provide information on related party transactions with other wholly owned subsidiaries within the Group.

14. **RESTRICTED CASH**

Restricted cash relates to collateralised cash which is not immediately accessible to the Company. At 31 March 2019 this amounted to £24.5 million (2018: £21.4 million) and included in Cash at bank and in hand on the face of the Statement of Financial Position.

15. **CHANGES IN ACCOUNTING POLICIES**

This note explains the impact of the adoption of IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers'.

IFRS 9 'Financial Instruments'

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

IFRS 15 'Revenue from Contracts with Customers'

The Company adopted IFRS 15 'Revenue from Contracts with Customers' from 1 April 2018, this resulted in some changes to accounting policies but no reclassification of amounts recognised in the financial statements. At the date of transition there was no requirement to restate the brought forward reserves of the Company as at 1 April 2018.