JOHN LAING PROJECTS & DEVELOPMENTS (HOLDINGS) LIMITED
ANNUAL REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2015

Registered number: 4252518

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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DIRECTORS, COMPANY SECRETARY AND AUDITOR

Directors
A S Pearson
S D Yeatman

Company secretary and registered office
P Naylor
1 Kingsway
London
WC2B 6AN

Auditor
Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
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DIRECTORS' REPORT

The Directors submit their Annual Report and the audited financial statements for the year ended 31 December 2015.

The Company, incorporated in the United Kingdom, is a wholly owned subsidiary of John Laing Investments Limited. The ultimate parent company is John Laing Group plc whose shares are publicly traded on the London Stock Exchange.

No strategic report has been prepared in accordance with the small companies regime.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The performance of the John Laing Group plc, including the performance of this Company and its investments in joint ventures is discussed in the Strategic Report of the John Laing Group plc Annual Report and Accounts.

The principal activity of the Company is the holding of investments in PFI and development projects in the United Kingdom.

The Group provided £725,000 to John Laing Projects & Development (Croydon) Limited during the year in order for that company to fund its joint venture, CCURV LLP, as it continued to develop the surplus sites within the Croydon Redevelopment programme. A repayment of £5,870,000 was received during the year following the successful completion of the Taberner House project. As a result of planning and site availability delays, no further developments are considered viable and therefore the programme is being wound up. John Laing Projects & Development (Croydon) Limited received a repayment of £500,000 from the joint venture in 2016 which was passed on to the Company. Accordingly, the Company has impaired the net balance receivable from John Laing Projects & Development (Croydon) Limited down to £500,000.

RESULTS AND DIVIDENDS

The Company's financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council.

The Group loss for the year before taxation amounted to £3,620,000 (2014 - profit £62,000). After a taxation credit of £102,000 (2014 - credit of £238,000), the loss for the year was £3,518,000 (2014 - profit of £300,000).

The Directors do not recommend the payment of a dividend (2014 - £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Group are managed by John Laing Group plc, the Company's ultimate parent company. A detailed analysis of the principal risks and uncertainties faced by the John Laing Group is disclosed in the 2015 Annual Report and Accounts of John Laing Group plc. The 2015 Annual Report and Accounts of John Laing Group plc are available in www.laing.com.

The main risks faced by the Group are liquidity and credit risk. The Company's exposure to liquidity risk is mitigated by the financial support given by John Laing Investments, its immediate parent company. Credit risk is reduced as the Group holds the majority of its investments in PPP projects, the revenues of which derive from central and local governmental bodies; the Group works with multiple clients, joint venture partners, sub-contractors and institutional investors so as to reduce the probability of systemic counter-party risk in its investment portfolio.

GOING CONCERN REVIEW

The Group and Company have net current liabilities as at 31 December 2015 and a letter of support has been provided by the Company's immediate parent company. The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of current market conditions and concluded that it is appropriate. In reaching this conclusion, the Directors have specifically considered the Group's relationship with its immediate parent company. More information is provided in note 1 to the financial statements.

DIRECTORS' REPORT (continued)

DISCLOSURE OF INFORMATION TO THE AUDITOR

The Directors who held office at the date of approval of this Directors' report confirm that, so far as he or she is aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that he or she ought to have taken as a Director to make himself or 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.

DIRECTORS

The Directors who served throughout the year and up to the date of this report, except as noted, are shown on page 1.

EMPLOYEES

Details of the number of employees and related costs can be found in note 9 to the financial statements on page 13.

AUDITOR

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Deloitte LLP will therefore continue in office.

On behalf of the Board

S D Yeatman
Director
29 September 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 (Group and Company) in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

By order of the Board

S D Yeatman
Director
29 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN LAING PROJECTS & DEVELOPMENTS (HOLDINGS) LIMITED

We have audited the financial statements of John Laing Projects & Developments (Holdings) Limited for the year ended 31 December 2015 which comprise the Group Profit and Loss Account, the Group Statement of Changes in Equity, the Group Balance Sheet, the Group Cash Flow Statement and the related notes 1 to 23 of the Group financial statements and the Company Balance Sheet, the Company Statement of Changes in Equity and related notes 1 to 8 of the Company financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102.

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2015 and of the Group's loss for the year then ended;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company 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.

- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report or in preparing a Strategic Report.

Simon Grant (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
29 September 2016

Group Profit and Loss Account
for the year ended 31 December 2015

	Notes	2015 £000	2014 £000
Continuing operations			
Interest income	4	**889**	2,084
Dividend income	5	**260**	164
Net loss on investments at fair value through profit or loss	13	**(3,455)**	(618)
Other income	6	**-**	206
Operating income	7	**(2,306)**	1,836
Administrative expenses		**(1,132)**	(482)
Loss on disposal of subsidiaries	10	**-**	(328)
(Loss)/profit from operations	8	**(3,438)**	1,026
Finance costs	11	**(182)**	(964)
(Loss)/profit before tax		**(3,620)**	62
Tax	12	**102**	238
(Loss)/profit after tax		**(3,518)**	300
Attributable to:			
Owner of the Company		**(3,518)**	300
		(3,518)	300

There is no other comprehensive income or expense apart from that disclosed above and consequently a statement of comprehensive income has not been prepared.

Group Statement of Changes in Equity
for the year ended 31 December 2015

	Notes	Share capital £ 000	Share premium £ 000	Accumulated profit/(loss) £ 000	Total equity £ 000
Balance at 1 January 2015		**2,677**	**49**	**7,620**	**10,346**
Loss after tax		-	-	(3,518)	(3,518)
Balance at 31 December 2015		**2,677**	**49**	**4,102**	**6,828**

	Notes	Share capital £ 000	Share premium £ 000	Accumulated profit/(loss) £ 000	Total equity £ 000
Balance at 1 January 2014		2,677	49	7,320	10,046
Profit after tax		-	-	300	300
Balance at 31 December 2014		2,677	49	7,620	10,346

Accumulated profit/(loss)
The accumulated profit/(loss) reserve represented the accumulated profit or loss since the incorporation of the Company.

Group Balance Sheet
as at 31 December 2015

	Notes	2015 £000	2014 £000
Non-current assets			
Investments at fair value through profit or loss	13	10,150	19,562
		10,150	19,562
Current assets			
Debtors - due within one year	14	259	50
Cash at bank and in hand		7	7
		266	57
Total assets		10,416	19,619
Current liabilities			
Creditors - amounts falling due within one year	15	(3,588)	(9,273)
		(3,588)	(9,273)
Net current liabilities		(3,322)	(9,216)
Total liabilities		(3,588)	(9,273)
Net assets		6,828	10,346
Equity			
Share capital	18	2,677	2,677
Share premium		49	49
Accumulated profit		4,102	7,620
Equity attributable to owner of the Company		6,828	10,346
Total equity		6,828	10,346

The financial statements of John Laing Projects & Developments (Holdings) Limited, registered number 4252518, were approved by the Board of Directors and authorised for issue on 29 September 2016. They were signed on its behalf by:

Stuart Yeatman

S D Yeatman
Director
29 September 2016

Group Cash Flow Statement
for the year ended 31 December 2015

	Notes	2015 £ 000	2014 £ 000
Net cash inflow from operating activities	19	**382**	3,886
Investing activities			
Proceeds from disposal of subsidiary, net of cash	10	-	11,838
Proceeds from loan repayments from project companies		1,371	15,350
Upstream loans from project companies		1,322	6,945
Investment in/acquisition of project companies and other investments		(3,154)	(2,152)
Net cash (used in)/from investing activities		**(461)**	31,981
Financing activities			
Loans from/(to) parent undertaking		1,485	(35,013)
Net interest paid		(1,406)	(938)
Net cash from/(used in) financing activities		**79**	(35,951)
Net increase/(decrease) in cash at bank and in hand		-	(84)
Cash at bank and in hand at beginning of the year		7	91
Cash at bank and in hand at end of the year		**7**	7

Notes to the Group Financial Statements

1 General information

John Laing Projects & Developments (Holdings) Limited (the "Company" or the "Group") is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office of the Company is given on page 1. The nature of the Company's operations and its principal activities is set out in the Directors' Report on page 2.

These financial statements are presented in pounds sterling, the functional currency and the currency of the primary economic environment in which the Company operates. The Group does not undertake any foreign operations.

2 Accounting policies

a) Basis of preparation

The financial statements have been prepared under the historic cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council ("FRC").

The Company does not consolidate its investments in subsidiaries held as part of an investment portfolio in accordance with FRS 102 section 9.9. This is explained further in the basis of consolidation below.

b) Going concern

The Company exists to hold investments in entities providing services under certain private finance and property development agreements. The Group and Company have net current liabilities as at 31 December 2015 and are reliant on the support of its immediate parent company, John Laing Investments Limited, to be able to meet their liabilities as they fall due. However, the Directors consider that the Company is an integral part of John Laing Group plc's structure and strategy and this is evidenced by a letter of support from John Laing Investments Limited, which states that it will not recall the amount due from the Company as at 31 December 2015 within twelve months of the balance sheet date of 31 December 2015. After making enquiries and taking account of the factors noted above, the Directors have a reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

c) Basis of consolidation

In accordance with FRS 102 section 9.9, investments in subsidiaries that are held as part of an investment portfolio are measured at fair value with changes in fair value recognised in profit or loss. The Company consolidated on a line by line basis the results of John Laing Projects & Developments Limited, a subsidiary company which does not hold investments in project companies and which is primarily a service company. The Group disposed of John Laing Projects & Developments Limited on 19 December 2014. However the entity was consolidated for the whole of the year ended 31 December 2014 due to minimal activity between the date of disposal and 31 December 2014.

Notes to the Group Financial Statements

2 Accounting policies (continued)

d) Operating income

The Group earns operating income from returns on its investment portfolio and additionally in 2014, until the sale of John Laing Projects & Developments Limited on 19 December 2014, from management services to the investment portfolio and external parties.

Operating income is recognised by reference to the following policies:

(i) Investment income

Interest income
Interest income is recognised when it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued by reference to the principal outstanding and the applicable interest rate.

Dividend income
Dividend income from investments in project companies and other investments at FVTPL is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Dividend income is recognised gross of withholding tax, if any, and only when approved and paid by the project company.

Net gain/loss on investments at FVTPL
Net gain/loss on investments at FVTPL excludes interest and dividend income referred to above.

(ii) Management services
Income from management services is included within other income in the Group Profit and Loss Account. It includes:
- revenue from provision of development management and management services to the Group's investment portfolio, and
- revenue from provision of development management and management services to external parties.

Revenue from management services is recognised as services are provided in accordance with Section 23 of FRS 102: Revenue recognition.

e) Finance costs

Finance costs relating to costs of borrowing from the parent are recognised in the year in which they are incurred.

f) 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 section 29 of FRS 102: 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.

Notes to the Group Financial Statements

2 Accounting policies (continued)

g) Cash at bank and in hand

Cash at bank and in hand comprises cash at bank and in hand and short term deposits with original maturities of three months or less.

h) Share capital

Ordinary shares are classified as equity instruments on the basis that they evidence a residual interest in the assets of the Group after deducting all its liabilities.

i) Financial instruments

Financial assets and financial liabilities are recognised in the Group Balance Sheet when the Group becomes a party to the contractual provisions of the financial instrument.

Basic financial instruments, which primarily relate to amounts owed to and from parent undertakings, interest bearing bank loans and borrowings, trade debtors and trade payables are held at amortised cost using the effective interest method.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. Financial assets are assessed for indications of impairment at each balance sheet date.

3 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates made and the underlying assumptions on which they are based are reviewed regularly. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Fair value of investments in project companies
The Group measures at fair value those subsidiaries, joint ventures and associates that form part of an investment portfolio. These investments comprise investments in project companies (including PPP/PFI investments). The Group's policy is to fair value both the equity and loan investments in project subsidiaries, joint ventures and associates together. Subsequent to initial recognition, the investments are measured on a combined basis at fair value using discounted cash flow methodology, with changes recognised within operating income in the Group Profit and Loss Account.

A valuation of the Group's investment portfolio is prepared on a consistent, principally discounted cash flow basis at 31 December. The valuation is carried out on a fair value basis assuming that forecast cash flows are received until maturity of the underlying assets.

A base case discount rate for an operational project is derived from secondary market information and other available data points. The base case discount rate is then adjusted to reflect project-specific risks. In addition, risk premia are added during the construction phase to reflect the additional risk during construction. These premia reduce over time as the project progresses through its construction programme, reflecting the significant reduction in risk once the project reaches the operating stage. The weight average discount rate applied to investments at 31 December 2015 was 6.88% (2014 - 3.57%). The increase in the weighted average rate discount rate since last year is primarily due to a reduction in the level of investments valued at a zero discount rate (where cash flows are expected within a short period of time).

The cash flows on which the discounted cash flow valuation is based are those forecast to be distributable to the Company at each balance sheet date, derived from detailed financial models. These incorporate assumptions reflecting the Group's expectations of likely future cash flows including value enhancements.

Notes to the Group Financial Statements

4 Interest income

	2015	2014
	£ 000	£ 000
Interest from investments	889	2,084
	889	2,084

5 Dividend income

	2015	2014
	£ 000	£ 000
Dividends from investments	260	164
	260	164

6 Other income

	2015	2014
	£ 000	£ 000
Management services income	-	206
	-	206

7 Operating income

All operating income was derived in the United Kingdom.

8 (Loss)/profit from operations

	2015	2014
Profit from operations has been arrived at after charging:	£ 000	£ 000
Fees payable to the Company's auditors for the audit of the Company's accounts	3	3
Fees payable to the Company's auditors for the audit of certain subsidiaries' accounts	15	8

9 Employees and 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 shareholder.

10 Loss on disposal of subsidiaries

	2015	2014
	£ 000	£ 000
Loss on disposal of subsidiaries	-	(328)
	-	(328)

During the year ended 31 December 2014, the Group transferred its entire shareholding in John Laing Projects & Developments Limited to John Laing Limited as part of the reorganisation of John Laing Group plc prior to John Laing Group plc's admission to the London Stock Exchange in February 2015. The total consideration for this transfer was £11,850,540. The net assets on the date of disposal were £12,173,000 including cash balances of £12,000.

11 Finance costs

	2015	2014
	£ 000	£ 000
Interest payable on amounts owed to parent undertakings	(182)	(964)
	(182)	(964)

Notes to the Group Financial Statements

12 Tax

The tax credit for the year comprises:

	2015	2014
	£ 000	£ 000
Current tax:		
UK corporation tax credit - current year	**100**	238
UK corporation tax credit - prior year	**2**	-
Tax credit on continuing operations	**102**	238

The tax credit for the year can be reconciled to the profit in the Group Profit and Loss Account as follows:

	2015	2014
	£ 000	£ 000
(Loss)/profit before tax on continuing operations	**(3,620)**	62
Tax at the UK corporation tax rate of 20.25% (2014 - 21.5%)	**733**	(13)
Tax effect of dividend income not taxable	**53**	35
Loss on disposal of subsidiary not deductible	**-**	(71)
Non-taxable movement on fair value of investments	**(661)**	(133)
Transfer pricing on loans to joint ventures	**(25)**	(47)
Impairment of loans in Company's accounts that are tax deductible	**-**	220
Adjustments in respect of previous periods	**2**	247
Total tax credit on continuing operations for the year	**102**	238

For 2015 a blended tax rate of 20.25% has been applied due to the change in the UK corporation tax rate from 21% to 20% with effect from 1 April 2015 (2014 – 21.5%). The UK Government has announced its intention to reduce the main corporation tax rate by 1% to 19% from 1 April 2017 and by a further 2% to 17% from 1 April 2020.

Notes to the Group Financial Statements

13 Investments at fair value through profit or loss

	2015	2014
	£ 000	£ 000
At 1 January	19,562	39,924
Investment in equity and loans	3,153	2,226
Distributions	(10,259)	(24,218)
Fair value movement	(2,306)	1,630
At 31 December	10,150	19,562

The fair value movement shown above of £2,306,000 loss (2014 - £1,630,000 gain) is presented on the Group profit and loss account as interest income of £889,000 (2014 - £2,084,000), dividend income of £260,000 (2014 - £164,000) and net loss on investments at FVTPL of £3,455,000 (2014 - £618,000).

14 Debtors - due within one year

	31 December 2015	31 December 2014
	£ 000	£ 000
Due within one year		
Group relief receivable	258	-
Amounts due from fellow group undertakings	-	50
Amounts due from subsidiary undertakings	1	-
	259	50

In the opinion of the Directors the fair value of trade and other debtors is equal to the carrying value.

The carrying amounts of the Group's trade and other debtors are denominated in Pound Sterling.

15 Creditors - amounts falling due within one year

	31 December 2015	31 December 2014
	£ 000	£ 000
Due within one year		
Amounts due to parent undertakings	3,458	7,454
Amounts due to fellow group undertakings	116	612
Amounts due to subsidiary undertakings	-	738
Group relief payable	-	459
Other creditors and accruals	14	10
	3,588	9,273

Notes to the Group Financial Statements

16 Financial Instruments

a) Financial Instruments by category

	Loans and receivables £ 000	Assets at fair value through profit or loss £ 000	Financial liabilities at amortised cost £ 000	Total £ 000
31 December 2015				
Non-current assets				
Investments at fair value through profit or loss*	-	10,150	-	10,150
Current assets				
Debtors - due within one year	1	-	-	1
Cash at bank and in hand	7	-	-	7
Total financial assets	8	10,150	-	10,158
Current liabilities				
Creditors - amounts falling due within one year	-	-	(3,588)	(3,588)
Total financial liabilities	-	-	(3,588)	(3,588)
Net financial instruments	8	10,150	(3,588)	6,570
31 December 2014				
Non-current assets				
Investments at fair value through profit or loss*	-	19,562	-	19,562
Current assets				
Debtors - due within one year	50	-	-	50
Cash at bank and in hand	7	-	-	7
Total financial assets	57	19,562	-	19,619
Current liabilities				
Creditors - amounts falling due within one year	-	-	(8,814)	(8,814)
Total financial liabilities	-	-	(8,814)	(8,814)
Net financial instruments	57	19,562	(8,814)	10,805

* The investments at fair value through profit or loss consist of investments in project companies or investments in intermediary holding companies that invest in project companies.

Notes to the Group Financial Statements

16 Financial Instruments (continued)

The carrying amounts of financial assets and financial liabilities in these financial statements reflect their fair values.

b) Foreign currency profile of financial assets and liabilties

All financial assets and financial liabilities are denominated in Sterling.

17 Financial risk management

The Group's activities expose it to a variety of financial risks: interest rate risk, inflation risk, credit risk, price risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

For the parent company and its recourse subsidiaries, financial risks are managed by a central treasury operation which operates within Board approved policies. The various types of financial risk are managed as follows:

Interest rate risk

The Group's interest rate risk arises due to fluctuations in interest rates which impact on the value of returns from floating rate deposits and expose the Group to variability in interest payment cash flows on variable rate borrowings.

The exposure of the Group's financial assets to interest rate risk is as follows:

	31 December 2015			31 December 2014		
	Interest bearing Floating rate £ 000	Non-interest bearing £ 000	Total £ 000	Interest bearing Floating rate £ 000	Non-interest bearing £ 000	Total £ 000
Financial assets						
Investments at fair value through profit or loss	-	10,150	10,150	-	19,562	19,562
Debtors - due within one year	-	1	1	-	50	50
Cash and cash equivalents	-	7	7	-	7	7
Financial asset exposure to interest rate risk	-	10,158	10,158	-	19,619	19,619

The exposure of the Group's financial liabilities to interest rate risk is as follows:

	31 December 2015			31 December 2014		
	Interest bearing Floating rate £ 000	Non-interest bearing £ 000	Total £ 000	Interest bearing Floating rate £ 000	Non-interest bearing £ 000	Total £ 000
Creditors - amounts falling due within one year	(3,458)	(130)	(3,588)	(7,454)	(1,360)	(8,814)
Financial liability exposure to interest rate risk	(3,458)	(130)	(3,588)	(7,454)	(1,360)	(8,814)

Notes to the Group Financial Statements

17 Financial risk management (continued)

Inflation risk

The Group has limited direct exposure to inflation risk, but the fair value of investments is determined by future revenue and costs which are linked to inflation. This results in the fair value of investments being sensitive to inflation which is often mitigated by the project company entering into inflation swaps.

Credit risk

Credit risk is managed on a Group basis. Credit risk arises from a combination of the value and term to settlement of balances due and payable with counterparties for both financial and trade transactions.

In order to minimise credit risk, cash investments are limited to counterparties of a suitable credit quality, which are carefully screened. The Group's cash balances are invested in line with a policy approved by the Board, capped with regard to counter-party credit ratings.

A number of project companies in which the Group invests receive revenue from government departments, public sector or local authority clients and/or directly from the public for example, via the collection of tolls. As a result, these projects tend not to be exposed to significant credit risk.

Price risk

The Group has limited direct exposure to price risk. In addition, the fair value of many project companies in which the Group invests is dependent on the receipt of fixed fee income from government departments, public sector or local authority clients. As a result, these projects tend not to be exposed to price risk.

Liquidity risk

The Group adopts a prudent approach to liquidity management by maintaining sufficient cash and available committed facilities to meet its current and upcoming obligations.

The Group's liquidity management policy involves projecting cash flows and assessing the level of liquid assets necessary to meet these. Managing liquidity risk is helped by the predictability in both value and timing of cash flows to and from project companies in which the Group invests.

Maturity of financial assets and financial liabilities

The maturity profile of the Group's financial assets, excluding investments at FVTPL, is as follows:

	31 December 2015			31 December 2014		
	Less than one year £ 000	Greater than one year £ 000	Total £ 000	Less than one year £ 000	Greater than one year £ 000	Total £ 000
Debtors	1	-	1	50	-	50
Cash at bank and in hand	7	-	7	7	-	7
Financial assets (excluding investments at FVTPL)	8	-	8	57	-	57

None of the financial assets is either overdue or impaired.

Notes to the Group Financial Statements

17 Financial risk management (continued)

Maturity of financial assets and financial liabilities (continued)

The maturity profile of the Group's financial liabilities is as follows:

	31 December 2015 £ 000	31 December 2014 £ 000
In one year or less, or on demand	(3,588)	(8,814)
In more than one year but less than two years	-	-
In more than two years but less than five years	-	-
In more than five years	-	-
Total	(3,588)	(8,814)

Capital risk

The Group seeks to adopt efficient financing structures that enable it to manage capital effectively to achieve the Group's objectives without putting shareholder value at risk. The Group's capital structure comprises its equity (as set out in the Group Statement of Changes in Equity) and its net borrowings.

18 Share capital

	31 December 2015 £ 000	31 December 2014 £ 000
Allotted, called up and fully paid:		
2,677,178 ordinary shares of £1.00 each	2,677	2,677

The Company has one class of ordinary shares which carry no right to fixed income.

19 Net cash inflow from operating activities

	2015 £ 000	2014 £ 000
Profit before tax	(3,620)	62
Adjustments for:		
Finance costs	182	964
Unrealised loss arising on changes in fair value of investments at FVTPL	3,455	618
Loss on disposal of subsidiaries (note 10)	-	328
Operating cash inflow before movements in working capital	17	1,972
Increase in debtors	(193)	(23)
Increase/(decrease) in creditors	1,124	162
Cash inflow from operations	948	2,111
Income taxes (paid)/received	(566)	1,775
Net cash inflow from operating activities	382	3,886

Notes to the Group Financial Statements

20 Transactions with related parties

Group

Details of transactions between the Group and other related parties are disclosed below.

Trading transactions

The Group entered into the following trading transactions with project companies, subsidiary undertakings and parent undertakings:

	2015 £ 000	2014 £ 000
Services income *	-	206
Interest income	889	2,084
Dividend income	260	-
Management services payable to fellow group undertakings	(1,120)	(241)
Amounts owed by project companies	-	50
Amounts owed to subsidiary undertakings	-	738
Amounts owed to fellow group undertakings	116	612
Amounts owed to parent undertakings	3,458	7,454

* services income was generated from project companies through management services agreements.

Loans to and from related parties

	2015 £ 000	2014 £ 000
Loans to investment entity subsidiaries and project companies	12,351	20,453
Upstream loans from investment entity subsidiaries and project companies	(4,991)	(6,945)

The above loans are provided by and to the Group at market rates of interest and are repayable in accordance with the terms of the loan agreements.

21 Events after balance sheet date

There have been no significant transactions or activities after the balance sheet date.

Notes to the Group Financial Statements

22 Disclosure - service concession arrangements

The Group has investments in project companies recorded in the Group Balance Sheet at FVTPL. These project companies operate service concession arrangements in the Social Infrastructure sector. The concessions vary as to the extent of their obligations but typically require the construction and operation of an asset during the concession period. The concessions may require the acquisition or replacement of an existing asset or the construction of a new asset. The operation of the assets may include the provision of major maintenance and facilities management services such as cleaning, catering and caretaking. Typically at the end of concession periods the assets are returned to the concession owner.

The rights of the concession owner and concession operator are stated within the project agreements. The rights of the concession owner include provisions to terminate the concession for poor performance of the contract by the operator or in the event of force majeure. The rights of the operator to terminate include the failure of the provider to make payment under the agreement, a material breach of contract and relevant changes of law which would render it impossible for the operator to fulfil its requirements.

Sector	Company name	Project name	% owned	Short description of concession arrangement	Period of concession Start date	End date	No. years	Obligations to property, plant and equipment
Social Infrastructure								
Rail	Aylesbury Vale Parkway Limited	Aylesbury Vale Parkway	50%	Construction and operation of the Aylesbury Vale Parkway Station.	17-Aug-07	13-Dec-28	21	Construction costing £15.5 million (of which £11.0 million Council-funded) and maintenance over 20 years.
	John Laing Rail Infrastructure Limited	Coleshill Parkway	100%	Construction and operation of the Coleshill Parkway Station.	10-Mar-06	18-Aug-27	21	Construction costing £7.1 million (of which £5 million Council-funded) and maintenance over 20 years.

Notes to the Group Financial Statements

23 Subsidiaries and other investments

Details of the Company's subsidiaries at 31 December 2015 were as follows:

Investment entity subsidiaries

John Laing Projects & Developments (Croydon) Limited
Holding company for Croydon property developments

Laing Investment Company Limited
Property development company

Croydon PSDH Holdco Limited
Holding company for property development company

Croydon PSDH Holdco 2 Limited
Holding company for property development company

Project subsidiaries

John Laing (Croydon Development Company) LLP
PPP accommodation operator

John Laing Rail Infrastructure Limited
Development and operation of rail infrastructure assets

Details of the Company's joint ventures and other investments at 31 December 2015 were as follows:

Joint ventures and other investments

Laing/Gladedale (Hastings) Limited
Ordinary shares of £1 (50%)
Property development company

Laing/Gladedale (St Saviours) Limited
Ordinary shares of £1 (50%)
Property development company

Aylesbury Vale Parkway Limited
Ordinary shares of £1 (50%)
Development and operation of rail infrastructure assets

Transcend Property Limited
Ordinary shares of £1 (50%)
Property development company

WSMR (Holdings) Limited
Ordinary shares of £1 (14%)
Property development company

Except where indicated, all companies are wholly owned, have 31 December year ends, are incorporated in Great Britain and registered in England and Wales, Scotland or Northern Ireland, and operate mainly in the country of incorporation.

COMPANY BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Investments	2	5,726	6,657
Current assets			
Debtors		5,105	10,795
- due within one year	3	2,916	8,644
- due after more than one year	3	2,189	2,151
Cash at bank and in hand		7	7
		5,112	10,802
Current liabilities			
Creditors: amounts falling due within one year	4	(10,830)	(16,217)
Net current liabilities		(5,718)	(5,415)
Net (liabilities)/assets		8	1,242
Capital and reserves			
Called up share capital	6	2,677	2,677
Share premium account		49	49
Profit and loss account		(2,718)	(1,484)
Shareholder's (deficit)/funds		8	1,242

The financial statements of John Laing Projects & Developments (Holdings) Limited, registered number 4252518, were approved by the Board of Directors and authorised for issue on 29 September 2016. They were signed on its behalf by:

Stuart Yeatman

S D Yeatman
Director
29 September 2016

Company Statement of Changes in Equity
for the year ended 31 December 2015

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total equity £ 000
Balance at 1 January 2015	**2,677**	**49**	**(1,484)**	**1,242**
Loss after tax	**-**	**-**	**(1,234)**	**(1,234)**
Balance at 31 December 2015	**2,677**	**49**	**(2,718)**	**8**

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total equity £ 000
Balance at 1 January 2014	2,677	49	(12,992)	(10,266)
Profit after tax	-	-	11,508	11,508
Balance at 31 December 2014	2,677	49	(1,484)	1,242

Notes to the Company financial statements for the year ended 31 December 2014

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

The financial statements have been prepared under the historic cost convention and in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council ("FRC"). The comparative period results have been presented on the same basis. These financial statements are presented in pounds sterling, the functional currency, the currency of the primary economic environment in which the Company operates. The principle accounting policies of the Company are set out below.

The Company exists to hold investments in subsidiary entities providing services under certain private finance and property development agreements. The Company has net current liabilities as at 31 December 2015 and is reliant on the support of its immediate parent company to be able to meet its liabilities as they fall due. However, the Directors consider that the Company is an integral part of John Laing Group plc's structure and strategy and this is evidenced by a letter of support from John Laing Investments Limited, which states its intent to provide the necessary financial support to ensure that the Company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the Directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

In accordance with section 408 of the Companies Act 2006, no separate profit and loess account presented for the Company. For the year ended 31 December 2015 the Company reported a loss of £1,234,000 (2014 - profit of £11,508,000).

b) Revenue recognition

Revenue recognition is determined by reference to the following policies:

- Dividend Income from investments in project companies and other investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Dividend income is recognised gross of withholding tax, if any, and only when approved and paid by the project company.
- Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued by reference to the principal outstanding and the applicable interest rate.

c) Investments

Fixed asset investments are shown at cost less provision for impairment.

An impairment is reversed in the current period, to the extent of the carrying value of the investment had the original impairment not occurred, if there is a change in economic conditions or a change in expected use of the investment. If the increase in value of the investment arises from mechanical factors affecting the discounted present value, such as the passage of time either bringing future cash inflows closer or overtaking future cash outflows, such an increase in value is not considered to be a reversal of the events or circumstances which led to the impairment in the first place.

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 section 29 of FRS 102: 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 Company'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.

Notes to the financial statements for the year ended 31 December 2015 (continued)

2 INVESTMENTS

	Subsidiary undertakings	Joint venture			
	Equity £'000	Equity £'000	Loans £'000	Other £'000	Total £'000
Cost					
At 1 January 2015	2,435	490	9,204	1,750	13,879
Additions	-	-	240	-	240
Repayments	-	-	(1,246)	-	(1,246)
At 31 December 2015	**2,435**	**490**	**8,198**	**1,750**	**12,873**
Provisions for impairment					
At 1 January 2015	(787)	(290)	(4,395)	(1,750)	(7,222)
Impairment credit/(charge)	80	-	(5)	-	75
At 31 December 2015	**(707)**	**(290)**	**(4,400)**	**(1,750)**	**(7,147)**
Net book value					
At 31 December 2015	**1,728**	**200**	**3,798**	**-**	**5,726**
At 31 December 2014	1,648	200	4,809	-	6,657

The Company's subsidiary and joint venture undertakings are listed on page 22.

Details of significant movements during the year:
During the year the Company decreased its loan with its joint venture Laing/Gladedale (Hastings) Holdings Limited by £970,000 as a result of a repayment of £1,210,000 offset by a loan injection of £240,000. An impairment review of the loans has been carried out based on potential sale values of the land held by Laing/Gladedale (Hastings) Limited. This has resulted in an increase of £5,000 in the impairment of the loan to Laing/Gladedale (Hastings) Holdings Ltd at 31 December 2015, leaving a total impairment of £4,355,000.

In the opinion of the Directors the investments in subsidiary undertakings and joint ventures is not less than the amount stated in the balance sheet and not less than the amount less impairment where applicable.

Notes to the financial statements for the year ended 31 December 2015 (continued)

3 DEBTORS

	2015 £'000	2014 £'000
Due within one year		
Amounts owed from group undertakings	**2,658**	8,644
Group relief receivable	**258**	-
	2,916	8,644
Due after more than one year		
Amounts owed from group undertakings	**2,189**	2,151
	2,189	2,151

Amounts owed from group undertakings includes:

- Loan receivable from John Laing Rail Infrastructure Limited of £2,257,000 (2014 - £2,365,000), of which £2,189,000 (2014 - £2,151,000) was due after more than one year, payable by 31 December 2025 with interest charged at 13% per annum.

- Loan receivable from John Laing Projects & Developments (Croydon) Limited of £2,146,000 (2014 - £7,291,000) payable on demand with interest charged at the Bank of England base rate plus 3.5% per annum against which a provision for impairment of £697,000 (2014 - £nil) has been booked. Also included above is interest receivable on the loan at 31 December 2015 of £1,252,000 (2013 - £1,088,000) against which a provision for impairment of £612,000 (2014 - £nil) has been booked.

- Laing Investment Company Limited of £nil net of impairment provisions of £1,870,000 (2013 - £nil net of impairment provisions of £1,654,000). Interest is charged at the Bank of England base rate plus 3.5%. The loan is not expected to be recovered due to changes in position of the borrower.

- Interest receivable on loans receivable from Aylesbury Vale Parkway Limited of £27,000 (2014 - £nil).

Amounts owed from group undertakings in the current and prior year are repayable in line with repayment schedules where a loan agreement is in place and short term amounts are repayable immediately. Interest is charged at agreed arms length interest rates.

4 CREDITORS

	2015 £'000	2014 £'000
Amounts falling due within one year		
Amounts owed to parent undertaking	**3,458**	7,454
Amounts owed to fellow group undertakings	**116**	612
Amounts owed to subsidiary undertakings	**7,242**	7,683
Group relief payable	**-**	459
Accruals and deferred income	**14**	9
	10,830	16,217

The amounts owed to parent undertaking comprises a loan of £3,277,000 (2014 - £6,047,000) with John Laing Investments Limited, which is payable on demand, together with interest payable of £181,000 (2013 - £1,407,000). Interest is charged on this loan at Bank of England base rate plus 1%.

Amounts owed to subsidiary undertakings comprises: an upstream loan of £4,991,000 (2014 - £6,944,000) from Croydon PSDH Holdco Limited, which is repayable on demand but is expected to be settled by a dividend payment by Croydon PSDH Holdco Limited in 2016, together with interest payable of £192,000; a loan from John Laing Projects and Developments (Croydon) Ltd of £2,061,000 in relation to group relief settlements which is payable on demand with no interest charged.

Amounts owed to fellow group undertakings are from normal trading where no interest is charged.

Notes to the financial statements for the year ended 31 December 2015 (continued)

5 CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

At 31 December 2015, the Company was a guarantor under an uncommitted bonding facility from Zurich entered into by John Laing Limited. At 31 December 2015 the total amount utilised under the Zurich facility, and hence guaranteed by the Company, was £4.0 million (2014 - £nil).

As at 31 December 2015, the Company had no future investment commitments (2014 - £nil).

6 CALLED UP SHARE CAPITAL

	2015 £'000	2014 £'000
Allotted, called up and fully paid:		
2,677,178 ordinary shares of £1 each	2,677	2,677

7 TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and other related parties are shown in note 20 to the Group financial statements.

8 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company at 31 December 2015 was John Laing Investments Limited, a company incorporated in Great Britain.

The Company's ultimate parent and controlling entity at 31 December 2015 was John Laing Group plc, a company incorporated in Great Britain.