

**REGISTERED NUMBER: 04309378 (England and Wales)**

**Report of the Directors and  
Audited Financial Statements for the Year Ended 31 March 2012  
for  
Laing O'Rourke Midlands Limited**

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**Laing O'Rourke Midlands Limited (Registered number: 04309378)**

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for the Year Ended 31 March 2012**

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**Laing O'Rourke Midlands Limited**

**Company Information  
for the Year Ended 31 March 2012**

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**DIRECTORS:**

A D Court  
S M Jones  
T M Higgins

**SECRETARY:**

T A Styant

**REGISTERED OFFICE:**

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

**REGISTERED NUMBER:**

04309378 (England and Wales)

**AUDITORS:**

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

**Report of the Directors  
for the Year Ended 31 March 2012**

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The directors present their annual report together with the audited financial statements of Laing O'Rourke Midlands Limited ("Company") for the year ended 31 March 2012

**PRINCIPAL ACTIVITY**

The principal activity of the Company is building contracting

**REVIEW OF BUSINESS**

The Company is a wholly owned subsidiary of Laing O'Rourke Holdings Limited and a member of the Laing O'Rourke Corporation Limited Group ("Group") All future business will be contracted under the name of Laing O'Rourke Construction Limited The remaining Laing O'Rourke Midlands Limited contracts are expected to trade profitably

The directors of Laing O'Rourke Corporation Limited manage financial risks for the Group as a whole, rather than as individual entities For this reason, the Company's directors believe 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 annual review which does 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 directors believe 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 annual review which does not form part of this report

**RESULTS**

The results for the year are set out in the profit and loss account on page 6

Turnover for the year was £814,000 (2011 £56,000) The profit on ordinary activities before taxation was £182,000 (2011 £89,000), and the profit for the year was £135,000 (2011 £64,000) Total capital and reserves of the Company at 31 March 2012 were a deficit of £39,004,000 (2011 £39,139,000)

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2012 (2011 £nil)

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report

A D Court  
S M Jones  
T M Higgins

Other changes in directors holding office are as follows

B A Dempsey - resigned 1 September 2011

**DIRECTORS' INDEMNITIES**

As permitted by the Articles of Association, the directors have 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 directors

**Report of the Directors  
for the Year Ended 31 March 2012**

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**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.

**PAYMENT OF CREDITORS**

While the Company does not follow a formal code of practice, its policy for the year ended 31 March 2013 for all suppliers is to agree terms of payment for each business transaction, to ensure that the supplier is aware of those terms, and to abide by the agreed terms of payment.

**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.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the 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.

**Report of the Directors  
for the Year Ended 31 March 2012**

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**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:**



T A Styant - Secretary

Date 23-10-2012

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

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We have audited the financial statements of Laing O'Rourke Midlands Limited for the year ended 31 March 2012 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes. 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).

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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.

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.

**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 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 Report of the Directors to identify material inconsistencies with the audited financial statements. 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 company's affairs as at 31 March 2012 and of its profit 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.

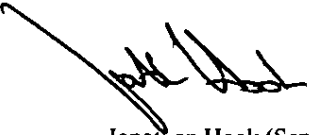
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Jonathan Hook (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and  
Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

Date

23/10/12

**Laing O'Rourke Midlands Limited (Registered number: 04309378)**

**Profit and Loss Account  
for the Year Ended 31 March 2012**

	Notes	2012 £'000	2011 £'000
<b>TURNOVER</b>		814	56
Cost of sales		(306)	636
<b>GROSS PROFIT</b>		508	692
Administrative expenses		(326)	(603)
<b>OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	182	89
Tax on profit on ordinary activities	4	(47)	(25)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		135	64

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material

The notes form part of these financial statements



**Laing O'Rourke Midlands Limited (Registered number: 04309378)**

**Balance Sheet  
31 March 2012**

	Notes	2012 £'000	2011 £'000
<b>CURRENT ASSETS</b>			
Debtors	5	696	639
<b>CREDITORS</b>			
Amounts falling due within one year	6	(39,700)	(39,778)
<b>NET CURRENT LIABILITIES</b>		<u>(39,004)</u>	<u>(39,139)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(39,004)</u>	<u>(39,139)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	-	-
Profit and loss account	8	(39,004)	(39,139)
<b>SHAREHOLDERS' FUNDS</b>	12	<u>(39,004)</u>	<u>(39,139)</u>

The financial statements were approved by the Board of Directors on its behalf by

23-10-2012

and were signed on



A D Court - Director

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 March 2012**

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**1 ACCOUNTING POLICIES**

**Accounting convention**

These financial statements have been prepared on a going concern basis under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Company has consistently applied all relevant accounting standards. The principal accounting policies are set out below.

The financial statements have been prepared on a going concern basis having regard to

- an undertaking given by Laing O'Rourke Holdings Limited that it will provide such funds as are necessary for the Company to meet its liabilities at 31 March 2012,
- an undertaking given by Laing O'Rourke Holdings Limited that it will provide such funds as are necessary to ensure the general administrative costs of the Company are met, and
- the decision for the Company to cease entering into new construction contracts a number of years ago.

**Cash flow statement**

The Company is a wholly owned subsidiary within the Laing O'Rourke Corporation Limited Group and is included in the consolidated financial statements of Laing O'Rourke Corporation Limited which are publically available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996).

**Deferred tax**

Deferred tax 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.

A net 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 timing differences can be deducted.

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

**Trade and other debtors**

Trade and other debtors are initially recorded at fair value and subsequently measured at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts.

**Trade and other creditors**

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

**Turnover**

Turnover represents amounts invoiced to customers, excluding value-added tax, except in respect of contracting activities where turnover represents the estimated sales value of work done in the year, including amounts not invoiced, in accordance with the provisions of SSAP 9. All turnover is generated from the United Kingdom.

**Profit recognition**

Profit on contracting activities is taken as work progresses. Profit is calculated on an individual contract basis as the element of profit forecast at completion that can prudently be attributed to the proportion of work done at the year end. Immediate provision is made for all foreseeable losses if a contract is assessed as unprofitable.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2012

1 ACCOUNTING POLICIES - continued

**Long-term contracts**

Amounts recoverable on long-term contracts, which are included in debtors are stated at the net sales value of the work done after provisions for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Where such amounts have been received and exceed amounts recoverable, the net amounts are included in creditors as payments on account.

**Foreign currencies**

Foreign currency transactions are translated into pounds sterling using the exchange rates prevailing at the date of the transaction. Foreign currency denominated monetary assets and liabilities are re-translated at the exchange rates ruling at the balance sheet date. Exchange differences arising from foreign currency transactions are reflected in the profit and loss account.

2 STAFF COSTS

The Company has no employees (2011: 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 recharged 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 director's emoluments.

3 OPERATING PROFIT

Operating profit is stated after charging

	2012 £'000	2011 £'000
Hire of plant and equipment	56	94

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

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2012

4 TAXATION

	2012 £'000	2011 £'000
<b>Current tax</b>		
UK corporation tax	47	25

The tax assessed for the year is the same as (2011 same as) the standard rate of corporation tax in the UK 26% (2011 28%) The differences are explained below

<b>Profit on ordinary activities before taxation</b>	182	89
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 28%)	47	25

**Factors that may affect future tax charges**

A number of changes to the UK corporation tax system were announced in the March 2012 UK Budget Statement. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax from 26% to 24% from 1 April 2012.

Further changes to the legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 in the Finance Bill 2012 have not been enacted. Proposals to reduce the rate by a further 1% to 22% by 1 April 2014 have also been made but not included in the Finance Bill 2012. The impact of the reduction in the tax rate from 24% to 22% has not been included in the financial statements.

5 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Trade debtors	200	288
Amounts recoverable on long-term contracts	323	79
Retentions	173	272
	696	639

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Trade creditors	55	84
Other taxation	1	-
Amounts owed to group undertakings	36,642	34,626
Corporation tax	72	25
Payments on account	1,485	2,148
Subcontractor accruals and retentions	1,445	2,895
	39,700	39,778

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2012

7 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2012 £	2011 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

8 RESERVES

	Profit and loss account £'000
At 1 April 2011	(39,139)
Profit for the year	<u>135</u>
At 31 March 2012	<u>(39,004)</u>

9 ULTIMATE PARENT COMPANY

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

Laing O'Rourke Corporation Limited, a company registered in Cyprus, is the largest group of undertakings for which consolidated financial statements are prepared. 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, a company registered in England and Wales, is the smallest group of undertakings for which consolidated financial statements are prepared. 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.

Suffolk Partners Corporation, a company incorporated in the British Virgin Islands is the ultimate parent company. The interests in the share capital of Suffolk Partners Corporation are held in trusts, the beneficiaries of which are R G O'Rourke KBE and H D O'Rourke.

10 CONTINGENT LIABILITIES

The Company has given performance and trade guarantees in the normal course of business. At the balance sheet date, the directors are not aware of any circumstances that may give rise to a liability under these guarantees. 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 directors believe that, except where provided in these financial statements, no material loss to the Company will occur. In forming their opinions the directors have taken relevant legal advice.

11 RELATED PARTY DISCLOSURES

As a wholly owned subsidiary within the Laing O'Rourke Corporation Limited Group, the Company has taken advantage of the exemption under FRS 8 not to provide information on related party transactions with other undertakings within the Laing O'Rourke Corporation Limited Group.

There are no other related party transactions.

Notes to the Financial Statements - continued  
for the Year Ended 31 March 2012

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12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £'000	2011 £'000
Profit for the financial year	135	64
<b>Net addition to shareholders' funds</b>	135	64
Opening shareholders' funds	(39,139)	(39,203)
<b>Closing shareholders' funds</b>	<u>(39,004)</u>	<u>(39,139)</u>