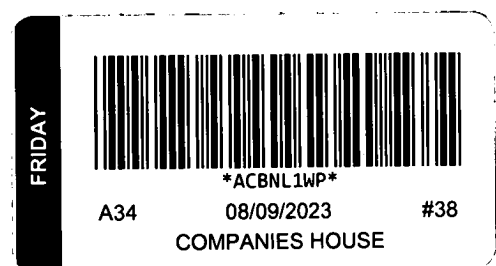


Company registration number 04367624 (England and Wales)

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

COMPANY INFORMATION

Directors	A J Phillips D Wylie J Abbott (Appointed 30 June 2023)
Company number	04367624
Registered office	1 Kingsway London United Kingdom WC2B 6AN
Bankers	Barclays Bank Plc Level 28 1 Churchill Place London E14 5HP

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

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LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their annual report and unaudited financial statements for the year ended 31 December 2022.

Going concern

The Company had net liabilities at 31 December 2022 and is reliant on the support of its immediate parent company to be able to meet its liabilities as they fall due over a period of at least 12 months from the date of signing of these financial statements. The Directors have concluded that this support is still present.

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.

Principal activities

The principal activities of the Company continue to be of support to the bidding and investing activities of the John Laing Group in the North America region as well as to provide management services to project companies in Canada in which the John Laing Group holds interests.

Branches

The Company has a branch registered in Canada.

Directors

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

A J Phillips

D Wylie

J Abbott

B Grew

(Appointed 30 June 2023)

(Appointed 6 April 2023 and resigned 11 May 2023)

Qualifying third party indemnity provisions

The Directors of the Company benefit from qualifying third party indemnity provisions provided by the Company's immediate parent undertaking.

Directors' insurance

The Company's Directors are covered by insurance policies entered into by its immediate parent undertaking, John Laing Group Limited, that insure them against liability arising from negligence, breach of duty and breach of trust in relation to the Company.

Post reporting date events

For details of post reporting date events, see the 'Events after the reporting date' note to the financial statements.

Future developments

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

Small Companies Exemption


This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. No strategic report has been prepared in accordance with Section 414B of the Companies Act 2006 and the provisions applicable to companies entitled to the small companies' exemption.

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board

A handwritten signature in black ink, appearing to be 'J Abbott', written over a horizontal line.

J Abbott

Director

7 September 2023

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	2,588,272	1,601,267
Administrative expenses		(2,845,800)	(1,891,043)
Operating loss	4	(257,528)	(289,776)
Interest receivable and similar income	6	2,299	2,657
Interest payable and similar expenses	7	(399,171)	(152,840)
Loss before taxation		(654,400)	(439,959)
Tax on loss	8	(146,020)	87,114
Loss for the financial year		(800,420)	(352,845)

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

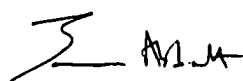
	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	10	1,379,483		572,900	
Cash at bank and in hand		254,977		193,684	
		<u>1,634,460</u>		<u>766,584</u>	
Creditors: amounts falling due within one year	11	(11,845,462)		(10,177,166)	
Net current liabilities			(10,211,002)		(9,410,582)
Capital and reserves					
Called up share capital	13		2		2
Profit and loss account			(10,211,004)		(9,410,584)
Total equity			(10,211,002)		(9,410,582)

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The financial statements were approved by the board of directors and authorised for issue on 7 September 2023 and are signed on its behalf by:



J Abbott

Director

Company Registration No. 04367624

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Other Reserves	Profit and loss account	Total
	£	£	£	£
Balance at 1 January 2021	2	115,727	(9,278,142)	(9,162,413)
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(352,845)	(352,845)
Share based incentives	-	(115,727)	220,403	104,676
Balance at 31 December 2021	2	-	(9,410,584)	(9,410,582)
Year ended 31 December 2022:				
Loss and total comprehensive income for the year	-	-	(800,420)	(800,420)
Balance at 31 December 2022	2	-	(10,211,004)	(10,211,002)

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Laing Investments Management Services (Canada) Limited is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The registered office is 1 Kingsway, London, United Kingdom, WC2B 6AN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006. The company meets the definition of a small entity and has chosen to apply the small entity regime set out in FRS102 Section 1A which allows for reduced disclosures.

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

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

The financial statements of the Company are consolidated in the financial statements of John Laing Group Limited. These consolidated financial statements are available from its registered office, 1 Kingsway, London, United Kingdom, WC2B 6AN.

1.2 Going concern

The Company had net liabilities at 31 December 2022 and is reliant on the support of its immediate parent company to be able to meet its liabilities as they fall due over a period of at least 12 months from the date of signing of these financial statements. The Directors have concluded that this support is still present.

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.

1.3 Turnover

Turnover represents income receivable in the ordinary course of business for services provided and excludes value added tax. Fees receivable in respect of management services agreements with project companies are recognised evenly over the period of the agreement; and income arising in respect of recoveries of bid costs from the financial close of investments in project companies is recognised when recovery is virtually certain.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Lease improvements	- 3 years
Office furniture	- 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

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

Financial assets are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets

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

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, loans from fellow group companies are initially recognised at transaction. Financial liabilities classified as payable within one year are not amortised.

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

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

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

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

The Company's normal policy on unused annual leave entitlement is that employees can carry forward up to five days of unused leave from their annual entitlement to be taken by 31 March following the end of the year. Since the maximum number of leave days is only five and these have to be taken in the first three months of the next year, the Company does not accrue for the costs of any unused holiday entitlement in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern over which economic benefits from the lease asset are consumed.

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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

3 Turnover

An analysis of the Company's turnover is as follows:

	2022 £	2021 £
Turnover analysed by class of business		
Service fee revenue	874,402	1,064,109
Management recharges	899,795	537,158
Recoveries of bid costs	814,075	-
	<u>2,588,272</u>	<u>1,601,267</u>

	2022 £	2021 £
Turnover analysed by geographical market		
Canada	<u>2,588,272</u>	<u>1,601,267</u>

4 Operating loss

	2022 £	2021 £
Operating loss for the year is stated after charging:		
Exchange losses	312,971	217,461
Share-based payments	-	104,676
Operating lease charges	<u>33,179</u>	<u>29,420</u>

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2022 Number	2021 Number
5	5
5	5

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,485,712	1,176,215
Social security costs	59,312	3,924
Pension costs	46,336	33,408
Share-based incentives	38,446	34,112
	1,629,806	1,247,659

6 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	2,299	2,657

7 Interest payable and similar expenses

	2022 £	2021 £
Interest payable to group undertakings	399,171	152,840

8 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	-	(141,209)
Adjustments in respect of prior periods	141,209	27,311
Total UK current tax	141,209	(113,898)
Foreign current tax on profits for the current period	-	10,165
Total current tax	141,209	(103,733)

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Taxation

(Continued)

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	3,657	5,745
Changes in tax rates	1,154	(3,095)
Deferred tax on share-based payments charge	-	13,969
	<u>4,811</u>	<u>16,619</u>
Total deferred tax		
	<u>4,811</u>	<u>16,619</u>
Total tax charge/(credit)	146,020	(87,114)
	<u>146,020</u>	<u>(87,114)</u>

For the year ended 31 December 2022, a tax rate of 19% has been applied (2021 – 19%).

The UK Corporation Tax rate will increase to 25% effective from 1 April 2023 as enacted by the UK Government following the March 2021 budget announcement.

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(654,400)	(439,959)
	<u>(654,400)</u>	<u>(439,959)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(124,336)	(83,592)
Tax effect of expenses that are not deductible in determining taxable profit	290	-
Adjustments in respect of prior years	141,209	32,254
Effect of change in corporation tax rate	-	(3,095)
Share based payment charge	-	(42,846)
Foreign current tax on profits for the current period	-	10,165
Movement in deferred tax not recognised	127,702	-
Remeasurement of deferred tax for changes in tax rates	1,155	-
	<u>146,020</u>	<u>(87,114)</u>
Taxation charge/(credit) for the year	146,020	(87,114)
	<u>146,020</u>	<u>(87,114)</u>

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Tangible fixed assets

	Lease improvements £	Office furniture £	Total £
Cost			
At 1 January 2022 and 31 December 2022	70,586	27,571	98,157
Depreciation and impairment			
At 1 January 2022 and 31 December 2022	70,586	27,571	98,157
Carrying amount			
At 31 December 2022	-	-	-
At 31 December 2021	-	-	-

10 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	228,423	308,940
Corporation tax recoverable	-	141,209
Other debtors	249,462	115,320
Prepayments and accrued income	901,598	2,620
	1,379,483	568,089
Amounts falling due after more than one year:		
Deferred tax asset (note 12)	-	4,811
Total debtors	1,379,483	572,900

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	85,737	56,337
Amounts owed to group undertakings	11,064,650	9,569,774
Taxation and social security	60,864	18,991
Other creditors	20,661	18,455
Accruals and deferred income	613,550	513,609
	<u>11,845,462</u>	<u>10,177,166</u>

The amounts owed to group undertakings comprise a loan of £10,662,128 from the Company's parent undertaking (2021 - £9,418,713 from a fellow group undertaking) repayable on demand and interest payable on the loan of £399,171 (2021 - £152,840), offset by £3,351 of other receivables (2021 - £1,779). Interest on the loan was charged at 1.5% above base rate throughout 2022 (2021 - 1.5% above rate).

12 Deferred taxation

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2022 £	Assets 2021 £
Balances:		
Accelerated capital allowances	<u>-</u>	<u>4,811</u>
		2022 £
Movements in the year:		
Asset at 1 January 2022		4,811
Charge to profit or loss		(4,811)
Asset at 31 December 2022		<u>-</u>

13 Called up share capital

	2022 £	2021 £
Ordinary share capital Issued and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

LAING INVESTMENTS MANAGEMENT SERVICES (CANADA) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Called up share capital

(Continued)

The other reserves represent the capital contribution to the equity based share incentive scheme.

14 Operating lease commitments

Lessee

The Company's rental lease agreement at 4th Floor, 133 King Street East, Toronto, ON is a sub-lease agreement on a "month-to-month" tenancy which commenced on 1 December 2019. The annual gross rent is CAD50,691.

The Company as sub-tenant has the option to terminate this sub-lease agreement by giving sixty days written notice provided the termination date shall be the last day of a calendar month. Therefore, the maximum commitment under this lease is two months of rent.

	2022 £	2021 £
Within one year	4,895	4,895

15 Events after the reporting date

There have been no significant events after the balance sheet date.

16 Related party transactions

As a wholly owned subsidiary of John Laing Group Limited, the Company has taken advantage of the exemption under FRS 102 Section 33 not to provide information on related party transactions with other undertakings in the John Laing Group Limited group. A copy of the published financial statements of John Laing Group Limited can be obtained from Companies House.

17 Ultimate controlling party

The Company's immediate parent company is John Laing Group Limited, a Company incorporated in Great Britain and registered in England and Wales. The smallest and largest group in which its results are consolidated is John Laing Group Limited. Copies of its accounts are available from Companies House.

The Company is ultimately owned by funds advised and managed by KKR & Co. Inc and there is no ultimate parent undertaking.

The Company considers the ultimate controlling party to be KKR & Co. Inc, incorporated in Delaware, United States of America and registered at 30 Hudson Yards, Suite 7500, New York, New York, 1001, United States of America.