

HEALTHCARE SUPPORT (NEWCASTLE) HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004



Registered Number: 4420880

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DIRECTORS AND ADVISORS

Directors

Gary S Lucas

Michael Baybutt

Richard Smith

Richard Weston - Resigned 31 December 2004

Company secretary and registered office

Peter Shell

Allington House

150 Victoria Street

London SW1E 5LB

Auditors

Deloitte & Touche LLP

Chartered Accountants

London

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The principal activity of the Company is to act as the holding company of Healthcare Support (Newcastle) Limited and Healthcare Support (Newcastle) Finance plc.

REVIEW OF THE YEAR

On 15 December 2004 the company:

- applied and was allotted 999 ordinary £1 shares in Healthcare Support (Newcastle) Limited thus increasing its holding to £1,000;
- applied and was allotted 49,999 ordinary £1 shares in Healthcare Support (Newcastle) Finance plc, one quarter of the nominal of which has been called up. The remaining ordinary £1 share in Healthcare Support (Newcastle) Finance plc was allotted to Sebergham Nominees Limited, one quarter of the nominal value of which is called up. However, the beneficial interest in this share rests with the Company.
- issued £13,500 ordinary shares of £1 each on the 15th December 2004 to Equion Health (Newcastle) Limited.

RESULTS AND DIVIDENDS

The Company did not trade during the year and consequently made neither profit nor loss for the period (2003: £nil).

The Directors do not recommend the payment of a dividend (2003: £nil).

DIRECTORS

The Directors who served throughout the period, except as noted, are shown on page 1.

DIRECTORS' INTERESTS

No Director held any interests in the shares of the Company, or had any personal interest in any significant or material contract with the Company, during the period ended 31 December 2004.

Certain Directors held interests in the share capital of the Company's ultimate parent undertaking, John Laing plc. Their interests are disclosed as follows:

R Weston in the accounts of Laing Investments Limited.

G S Lucas in the accounts of Equion Limited

M Baybutt in the accounts of Healthcare Support (Newham) Holdings Limited

Other than as stated above, no Director had any interest in the shares of any other group Company requiring disclosure under the Companies Act 1985.

In addition, the following Directors participated in the JL Executive Share Option Plan 2002. Rights to subscribe for John Laing plc Ordinary Shares granted and/or exercised during the year were as follows:

	Balance at 1 January 2004	Granted	Exercised	Lapsed	Balance at 31 December 2004	Average exercise price (p)	Earliest date of exercise	Expiry date
R Smith	18,919	-	-	-	18,919	147.36	01/07/2005	16/04/2013

LONG-TERM INCENTIVE SCHEMES

Under The John Laing Long-Term Incentive Plan approved by shareholders in 2001, conditional awards were made to the executive Directors and other senior executives in 2004. Details of entitlements (including those that are provisional) of Directors who served during the year are set out below:

	At 31 December 2003	Conditional Award	Vested	At 31 December 2004
R Smith	-	1,916	-	1,916

The Directors were provisionally awarded the shares detailed above at nil cost when the share price was 214.4 pence. The awards are conditional upon satisfaction of a total shareholder return (TSR) performance condition. This ranks the TSR of the Company against the TSR's of all the companies in the comparator group, namely all the Sterling denominated companies in the Support Services Sector of the FTSE All Share Index, over the performance period. The conditional awards vest fully if the Company's TSR is ranked in the top quartile. One third will vest if ranked at median and nothing vests if ranked below median. A ranking between median and the top quartile will trigger a straight-line apportionment.

No provisional awards made to the Directors have vested during the year. No provisional awards have been made or have vested between 31 December 2004 and the date of this report.

There are currently no proposals to vary the terms and conditions of the LTIP.

AUDITORS

A resolution to appoint Deloitte & Touche LLP as auditors will be proposed at the forthcoming Annual General Meeting.



G S Lucas
11 March 2005

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period.

In preparing those financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control for safeguarding the assets of the Company and hence for *taking reasonable steps for the prevention and detection of fraud and other irregularities.*

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTHCARE SUPPORT (NEWCASTLE) HOLDINGS LIMITED

We have audited the financial statements of Healthcare Support (Newcastle) Holdings Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet, the related notes 1 to 11 and the list of principal subsidiaries. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 auditors

As described in the statement of directors' responsibilities, the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2004 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

11 March 2005

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
TURNOVER		-	-
Administrative expenses		-	-
OPERATING PROFIT AND RESULT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION AND RESULT FOR THE FINANCIAL YEAR		<u>-</u>	<u>-</u>

All results are derived from continuing operations.

There are no recognised gains and losses for the financial year and the preceding financial year other than as stated in the profit and loss account. Accordingly no statement of total recognised gains and losses is presented.

HEALTHCARE SUPPORT (NEWCASTLE) HOLDINGS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2004

	Notes	2004 £	2003 £
Fixed assets			
Investments	7	13,500	1
Current assets			
Debtors	5	13,501	1
Creditors: amounts falling due within one year	6	(13,500)	(1)
Net current assets		<u>1</u>	<u>-</u>
Net assets		<u>13,501</u>	<u>1</u>
Capital and reserves			
Called up share capital	8	13,501	1
Equity shareholders' funds		<u>13,501</u>	<u>1</u>

The financial statements were approved by the Board of Directors on 11 March 2005 and were signed on its behalf by:



G S Lucas
Director

11 March 2005

Notes to the financial statements for the year ended 31 December 2004

1 ACCOUNTING POLICIES**a) Basis of preparation of accounts**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

The Company is a wholly owned subsidiary undertaking of John Laing plc and as such is exempt under FRS 1 (revised 1996) from the requirement to prepare its own cash flow statement.

As a wholly owned subsidiary undertaking the Company is also exempt under section 228 of the Companies Act 1985 from any requirement to prepare consolidated financial statements for its group. Accordingly, the financial statements present information about the Company as an individual undertaking, and the results of subsidiary and joint ventures are reflected in these accounts only to the extent that dividends have been declared.

2 OPERATING PROFIT

The Company did not trade during the current or preceding year and has made neither profit nor loss, nor any other recognised gain or loss, during the year to 31 December 2004.

Auditors' remuneration for audit services to the company of £2,087 has been borne by the company's wholly owned subsidiary undertaking, Healthcare Support (Newcastle) Limited.

3 DIRECTORS' REMUNERATION

The directors of the company are remunerated for their services to the group as a whole and it is not practicable to allocate their remuneration between group companies. The remuneration of R Weston is disclosed in the financial statements of Laing Investments Limited. The remuneration of G S Lucas is disclosed in the financial statements of Equion Limited. The remuneration of M Baybutt is disclosed in the financial statements of Healthcare Support (Newham) Holdings Limited. The total remuneration of the remaining Director is as follows:

	2004	2003
	£	£
Directors' emoluments	<u>103,208</u>	<u>-</u>

The emoluments of directors shown above are in respect of qualifying services to the company and are borne by fellow subsidiary undertakings on behalf of the company.

No other directors received any remuneration from the Company during the year.

Retirement benefits are accruing to nil (2003 - nil) directors under defined benefit schemes.

None of the directors exercised share options in the ultimate parent undertaking John Laing plc during the year (2003 - nil), and one of the directors received/became entitled to shares under a long-term incentive scheme.

4 STAFF NUMBERS

The Company had no employees during the year.

5 DEBTORS

	2004	2003
	£	£
<u>Due within one year:</u>		
Amounts owed by group undertakings	<u>13,501</u>	<u>1</u>
	<u>13,501</u>	<u>1</u>

6 CREDITORS

	2004	2003
	£	£
Amounts falling due within one year		
Amounts owed to group undertakings	<u>13,500</u>	<u>1</u>

Notes to the financial statements for the year ended 31 December 2004 (continued)

7 INVESTMENTS

	Shares in group undertakings £
Cost and net book value	
At 1 January 2004	1
Additions	13,499
At 31 December 2004	<u>13,500</u>

The Company's principal subsidiary undertakings are listed on page 10.

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

8 CALLED UP SHARE CAPITAL

	2004 No.	2003 No.
Authorised:		
Ordinary Shares at £1 each	<u>51,000</u>	<u>100</u>
	£	£
Allotted, called up and fully paid:		
13,501 Ordinary Shares at £1 each (2003: 1)	<u>13,501</u>	<u>1</u>

9 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2004 £'000	2003 £'000
Opening equity shareholder's funds	1	-
New shares issued	13,500	1
Closing equity shareholder's funds	<u>13,501</u>	<u>1</u>

10 TRANSACTIONS WITH RELATED PARTIES

The company meets the exemption requirements of FRS8 "Related Party Disclosures", in that 90% or more of its voting rights are controlled within the John Laing plc group of companies. The company has, therefore not separately disclosed transactions with other group undertakings and investees of the group qualifying as related parties.

11 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent is Equion Health (Newcastle) Limited, a company incorporated in Great Britain and registered in England and Wales. The Company's ultimate parent and controlling party, and the largest and smallest group in which its results are consolidated, is John Laing plc, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated accounts of John Laing plc are available from its registered offices at Allington House, 150 Victoria Street, London, SW1E 5LB.

The John Laing plc website at www.laing.com can also be accessed for Parent Company information, including annual reports, Stock Exchange announcements, press releases and other background information.

HEALTHCARE SUPPORT (NEWCASTLE) HOLDINGS LIMITED

PRINCIPAL SUBSIDIARIES

Company name	Class and percentage of shares held	Principal activity	Country of incorporation
Healthcare Support (Newcastle) Limited	100% of ordinary shares	The construction of a Multi Storey Car park for Newcastle Healthcare National Health Service Trust	Great Britain
Healthcare Support (Newcastle) Finance Plc	100% of ordinary shares	To issue the Bonds and Loan Stock, borrow the EIB Loan and lend on the proceeds thereof to the Project Company	Great Britain