

JOHN LAING INFRASTRUCTURE (A1 MOBIL HOLDINGS) LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2018**



Registered Number 06559102

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

CONTENTS	Page
Directors and auditor	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report to the members of John Laing Infrastructure (A1 Mobil Holdings) Limited	5 - 6
Statement of comprehensive income	7
Statement of changes in equity	7
Balance sheet	8
Notes to the financial statements	9 - 13

JOHN LAING INFRASTRUCTURE (A1 MOBIL HOLDINGS) LIMITED

DIRECTORS AND AUDITOR

Directors

S M Colvin

J P Heemelaar

Company number

06559102

Registered office

1 Kingsway

London

United Kingdom

WC2B 6AN

Auditor

Deloitte LLP

Statutory Auditor

London

United Kingdom

DIRECTORS' REPORT

The Directors present their annual report and financial statements for the year ended 31 December 2018.

The Company is a wholly owned subsidiary of John Laing Infrastructure (German Holdings) Limited.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Company was incorporated on 8 April 2008 with principal activity to hold a 42.5% shareholding in A1 Mobil GmbH & Co KG. On 30 June 2008, the Company entered into a Limited Partnership Agreement as a limited partner with a 42.5% interest in this limited partnership, A1 Mobil GmbH & Co. KG, whose principal activity is to build, finance and operate the A1 toll road in Germany under a Concession Agreement with the federal State of Germany. Financial close was reached on this project on 10 July 2008. On the 10 July 2008, the Company entered into a Shareholders' Undertaking agreement, amended on 6 August 2008, detailing the funding commitments required by the parties to the Partnership.

On 26 October 2012, the Company made an equity contribution to the Partnership of €38,981,000 which was used to repay the Equity Bridge Loan.

Due to a decline in traffic forecasts on the A1 toll road, the Directors previously considered the recoverability of the investment in A1 Mobil GmbH & Co.KG and concluded that the investment is not recoverable. Consequently, an impairment charge for the full amount of the original investment was made. In 2018, traffic forecasts have not improved in a way that the investment has become recoverable.

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 Company's relationship with its parent company. More information is provided in note 1 to the financial statements.

FUTURE DEVELOPMENTS

On 23 December 2015, the A1 Mobil GmbH & Co. KG partnership entered into a standstill agreement as a first step within the restructuring in order to preserve the going concern business of the partnership. On 27 December 2016, a standstill amendment and extension agreement has been signed relating to the standstill agreement. Further extensions were agreed in 2018 and 2019 to accommodate for the appeal in the FOP claim against the German State. In August 2017 the case was submitted to Court, a (negative) verdict was issued in June 2018. An appeal was filed in November 2018. The Higher Court hearing is planned for 29 October 2019.

FINANCIAL RISK MANAGEMENT

The Company's exposure is limited to the extent of the investment it has made in the A1 Mobil GmbH & Co. KG. partnership. The investment has already been impaired to nil value.

DIRECTORS' REPORT (continued)

STATEMENT OF DISCLOSURE TO AUDITOR

Each of the Directors in office at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and;
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself / 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 provision of section 418 of the Companies Act 2006.

DIRECTORS

The Directors who served throughout the year and up to the date of signing are shown on page 1.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

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

DIRECTORS' INSURANCE

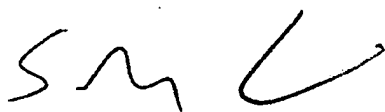
The Company's Directors are covered by insurance policies entered into by its ultimate parent undertaking, John Laing Group plc, that insure them against liability arising from negligence, breach of duty and breach of trust in relation to the Company.

AUDITOR

The auditor, Deloitte LLP, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the Board



S M Colvin
Director

27 September 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

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 in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Ireland". 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; 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN LAING INFRASTRUCTURE (A1 MOBIL HOLDINGS) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of John Laing Infrastructure (A1 Mobil Holdings) Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of changes in equity;
- the balance sheet; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN LAING INFRASTRUCTURE (A1 MOBIL HOLDINGS) LIMITED (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

D. Winstone

Daryl Winstone (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

27 September 2019

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 €'000	2017 €'000
Administrative expenses		22	32
Operating profit	2	22	32
Profit before interest		22	32
Net interest payable and similar expenses	5	(992)	(980)
Loss before taxation		(970)	(948)
Tax on loss	6	191	159
Loss for the financial year		(779)	(789)

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up Share capital €'000	Profit and loss account €'000	Total equity €'000
Balance at 1 January 2018	-	(47,393)	(47,393)
Loss and total comprehensive expense for the year	-	(779)	(779)
Balance at 31 December 2018	-	(48,172)	(48,172)

	Called up Share capital €'000	Profit and loss account €'000	Total equity €'000
Balance at 1 January 2017	-	(46,604)	(46,604)
Loss and total comprehensive expense for the year	-	(789)	(789)
Balance at 31 December 2017	-	(47,393)	(47,393)

BALANCE SHEET AS AT 31 DECEMBER 2018

	Notes	2018 €'000	2017 €'000
Fixed assets			
Investments	7	-	-
Current assets			
Debtors	8	378	353
Current liabilities			
Creditors: amounts falling due within one year	9	(48,550)	(47,746)
Net current liabilities		<u>(48,172)</u>	<u>(47,393)</u>
Total assets less current liabilities		(48,172)	(47,393)
Net liabilities		<u>(48,172)</u>	<u>(47,393)</u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account		(48,172)	(47,393)
Total equity		<u>(48,172)</u>	<u>(47,393)</u>

The financial statements of John Laing Infrastructure (A1 Mobil Holdings) Limited, registered number 06559102, were approved by the Board of Directors and authorised for issue in 27 September 2019. They were signed on its behalf by:



S M Colvin
Director

27 September 2019

Notes to the financial statements for the year ended 31 December 2018

1 ACCOUNTING POLICIES

a) General information

John Laing Infrastructure (A1 Mobil Holdings) Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006, incorporated in Great Britain and registered in England and Wales. The address of the registered office of the Company is given in the Directors and Auditor section 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 Euros, the functional currency and the currency of the primary economic environment in which the Company operates.

b) Basis of preparation of accounts

The financial statements have been prepared under historical cost convention and in accordance with Financial Reporting Standard 102 ('FRS 102'), issued by the Financial Reporting Council ('FRC').

A summary of the principal accounting policies adopted by the Directors, which have been applied consistently throughout the current and preceding year, is shown below.

c) Going concern

The Company has net liabilities and net current liabilities as at 31 December 2018 and is reliant on the support of its immediate parent company to be able to meet its liabilities as they fall due. This creates an uncertainty over the use of the going concern basis in the preparation of the financial statements. 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.

d) Basis of accounting for investments in joint ventures

As the Company does not have subsidiaries, it is not required to produce consolidated financial statements. The Company investment in its joint venture is recorded at cost less provision for impairment. Losses in excess of the Company's interest are recognised only to the extent that the Company has incurred a legal or constructive obligations or made payments on behalf of the Partnership.

In accordance with FRS 102 section 15.21A, summarised financial information about the investment in the joint venture, along with the effect of including the investment as if it had been accounted for using the equity method, has been provided in note 7.

Notes to the financial statements for the year ended 31 December 2018 (continued)

e) Foreign currencies

The Company's functional currency is Euro as key balances including loans are denominated in Euros.

Exchange differences arising in the ordinary course of trading are reflected in the statement of comprehensive income.

Income and expense items are translated at the average exchange rates for the period. Monetary assets and liabilities expressed in foreign currency are reported at the rate of exchange prevailing at the balance sheet date or, if appropriate, at the forward contract rate. Any difference arising on the retranslation of these amounts is taken to the statement of comprehensive income.

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 recognized 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.

g) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities. These estimates and assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from 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.

The critical accounting estimate in the preparation of the accounts is the recoverability of the investment in A1 Mobil GmbH & Co. KG. As stated in note 7, the Company previously recorded a full impairment against the investment and, due to no significant change in traffic forecasts, have not reversed this impairment in the current year. The impairment assessment is based on cash flows derived from detailed financial models and on the assumption that the forecast cash flows are received until the maturity of the asset. A base discount rate for the project is based on secondary market information and other available data points then adjusted for project specific risks.

h) Financial instruments

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.

Notes to the financial statements for the year ended 31 December 2018 (continued)

2 OPERATING PROFIT

Fees payable to the Company's auditor for the audit of the Company's annual accounts amount to €3,247 (2017 - €3,653). The audit fee for 2018 was borne by a parent undertaking of the Company.

Foreign exchange gains on sterling balances amounted to €21,606 in the year ended 31 December 2018 (2017 - €42,000).

3 DIRECTORS' REMUNERATION

The Company is managed by secondees from the shareholders and consequently there is no remuneration for key management personnel nor Directors.

4 STAFF NUMBERS

The Company had no employees during the year (2017 - nil).

5 NET INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 €'000	2017 €'000
Interest payable and similar expenses		
Interest payable to parent undertakings	(992)	(980)
Net interest payable	<u>(992)</u>	<u>(980)</u>

6 TAX ON LOSS

<u>Analysis of tax credit for the year</u>	2018 €'000	2017 €'000
Current tax		
Group relief receivable	188	189
Adjustments in respect of previous periods	3	(30)
Total current tax	<u>191</u>	<u>159</u>
Total tax credit on loss	<u>191</u>	<u>159</u>

Factors affecting tax credit for the current year

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2018 €'000	2017 €'000
Loss before taxation	<u>(970)</u>	<u>(948)</u>
Expected tax credit based on corporation tax rate in the UK of 19% (2017 - 19.25%)	184	182
Effects of:		
Income not taxable	4	7
Adjustments in respect of previous years	3	(30)
Total tax credit for the year	<u>191</u>	<u>159</u>

For the year ended 31 December 2018 a tax rate of 19% has been applied (2017 - 19.25%). The UK Government has announced its intention to reduce the main corporation tax rate by 2% to 17% from 1 April 2020.

Notes to the financial statements for the year ended 31 December 2018 (continued)

7 INVESTMENTS

	Investment in Partnership
	Total €'000
Cost	
At 1 January 2018 and 31 December 2018	38,981
Provisions for impairment	
At 1 January 2018 and 31 December 2018	(38,981)
Net book value	
At 31 December 2018 and 31 December 2017	-

The Company made an equity contribution to the Partnership of €38,981,000 which was used to repay the Equity Bridge Loan. The Company is entitled to a 42.5% share of the net income or losses and a 42.5% share of any capital gains or losses of the limited partnership.

The A1 Mobil GmbH & Co. KG partnership (the Company's sole investment with registered office Stader Strasse 36, 27419 Sittensen, Germany), which is incorporated and registered in Germany, is involved in the build, finance and operation of the A1 toll road in Germany in accordance with an agreement with the Federal State of Germany.

Due to a decline in traffic forecasts on the A1 toll road, the Directors have considered the recoverability of the investment in A1 Mobil GmbH & Co. KG and concluded that the full investment is not recoverable. Consequently, an impairment charge equal to the original investment was recorded in prior years to fully impair the investment to zero.

A1 Mobil GmbH & Co. KG is currently in negotiation with its lenders to prevent the risk of a future covenant default which could lead to the lenders exercising their security package.

The net profit for the year ended 31 December 2018 under German GAAP of A1 Mobil GmbH & Co. KG was €1.4m (2017 - €2.4m loss). The net liabilities as per balance sheet date 31 December 2018 were €729.2m (2017 - €793.2m). The numbers are based on a 100% interest, with the Company holding a 42.5% share.

The effect of including this investment as if it had been accounted for using the equity method would be to show the investment on the balance sheet at €nil.

8 DEBTORS

	2018 €'000	2017 €'000
Group relief receivable	378	353
Amounts owed from parent undertakings	-	-
	<u>378</u>	<u>353</u>

Amounts owed by parent undertakings include in each year £2 of unpaid share capital.

9 CREDITORS

	2018 €'000	2017 €'000
Amounts falling due within one year		
Amounts owed to parent undertakings	48,550	47,746
	<u>48,550</u>	<u>47,746</u>

The amounts owed to parent undertakings comprise amount owed under Sterling and Euro denominated loans from John Laing Infrastructure Limited and John Laing Infrastructure (German Holdings) Limited respectively. These amounts comprise loans of €47,558,363 repayable on demand and interest payable on the loans of €992,042. Interest on the loans was charged at 2.5% above base rate from 1 January 2018 to 21 April 2018, 3% above base rates from 22 April 2018 to 24 July 2018 and 2% above base rates from 25 July 2018 to 31 December 2018 (2017 - 2.5% above base rate). The base rate used is Libor or Euribor, or equivalent rates, for the Sterling and Euro denominated loans respectively.

JOHN LAING INFRASTRUCTURE (A1 MOBIL HOLDINGS) LIMITED

Notes to the financial statements for the year ended 31 December 2018 (continued)

10 CALLED UP SHARE CAPITAL

	2018 €'000	2017 €'000
Allotted, called up and unpaid: 2 ordinary shares of £1 each	-	-

11 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is John Laing Infrastructure (German Holdings) Limited, a company incorporated in Great Britain.

The Company's ultimate parent and controlling entity is John Laing Group plc, a company incorporated in Great Britain.

The Company is not consolidated into the financial statements of any of its parents.