JOHN LAING INVESTMENTS NZ HOLDINGS LIMITED

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2017

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Registered Number 08121647

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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DIRECTORS AND ADVISORS

Directors
J P Heemelaar
S M Colvin

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

Auditor
Deloitte LLP
Statutory Auditor
London
United Kingdom

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is that of an investment holding company. There have not been any significant changes in the Company's principal activities in the year under review.

The Company owns a 30% share in SecureFuture Wiri Holdings Limited; a joint venture which has a contract to design, build, finance and operate a 960-place prison at Wiri in South Auckland, New Zealand under a 28 year concession agreement ("the Auckland South Corrections facility project"). In 2014, the Company purchased 6,711,930 shares at NZ$1 each in SecureFuture Wiri Holdings Limited and purchased NZ$13,627,190 loan notes issued by SecureFuture Wiri Holdings Limited.

The Directors have considered the functional currency of the Company and concluded that it should be the New Zealand Dollar. This is in light of the investment into the Wiri project and that cash flows from the Company's only investment are denominated in New Zealand Dollars.

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. More information is provided in note 1 to the financial statements.

RESULTS, DIVIDENDS AND FUTURE DEVELOPMENTS

The Company made a retained profit in the year of NZ$2,198,000 (2016 - NZ$1,974,000) after a taxation charge of NZ$294,000 (2016 - NZ$193,000). The net assets of the Company as at 31 December 2017 was £5,780,000 (2016 £3,582,000).

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

The Directors do not recommend a dividend be paid for the year (2016 - £nil).

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

KEY PEFORMANCE INDICATORS

Profit before tax for the year ended 31 December 2017 was £2,492,000 compared to £2,167,000 for the year ended 31 December 2016.

At 31 December 2017, the Group's net assets were £5,780,000 compared to £3,582,000 at 31 December 2016.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's exposure is limited to the extent of the investment it has made in its joint venture undertaking, SecureFuture Wiri Holdings Limited. The main risks faced by the Company are liquidity and credit risk. The Company's exposure to liquidity risk is mitigated by the financial support that is given by John Laing Investments Limited, its immediate parent company. Credit risk is reduced as the investment in a PPP project, the revenues of which are derived from a governmental body.

A detailed analysis of the principal risks and uncertainties faced by the John Laing Group is disclosed in the 2017 Annual Report and Financial statements of John Laing Group plc, the ultimate parent company of John Laing Infrastructure Limited. The 2017 Annual Report and Financial statements of John Laing Group plc are available at www.laing.com.

On behalf of the Board

S M Colvin
Director
7 June 2018

DIRECTORS' REPORT

The Directors present their report for the year ended 31 December 2017.

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

Details of likely future developments in the business and financial risk management are included in the Strategic Report and form part of this report by cross reference.

The Directors do not recommend a dividend for the year (2016 - £nil).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The principal risks and uncertainties of the Group and how these are reduced or mitigated is set out in the Strategic Report.

DIRECTORS

The Directors who served throughout the year and since the year end are shown on page 1.

DIRECTORS' INDEMNITY PROVISIONS

The Company has made qualifying third party indemnity provisions for the benefit of its Directors during the year. These provisions remain in force at the reporting date.

DISCLOSURE OF INFORMATION TO THE AUDITOR

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

On behalf of the Board

S M Colvin
Director
7 June 2018

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 Republic of 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 year. 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 MEMBER OF JOHN LAING INVESTMENTS NZ HOLDINGS LIMITED

Report on the audit of 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 2017 and of its profit 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 of John Laing Investments NZ Holdings Limited which comprise:

- the statement of total comprehensive income;
- the statement of changes in equity;
- the balance sheet;
- the cash flow statement; and
- the related notes 1 to 15.

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 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 MEMBER OF JOHN LAING INVESTMENTS NZ 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared are consistent with the financial statements; and
- the Strategic Report and Directors' Report have 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 strategic report or 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

We have nothing to report in respect of these matters.

D. Winstone

Daryl Winstone (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
7 June 2018

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 NZ$'000	2016 NZ$'000
Turnover		73	76
Cost of sales		(73)	(76)
Gross result		-	-
Administrative expenses		(64)	140
Income from shares in joint venture undertakings	4	1,538	1,199
Operating profit	5	1,474	1,339
Net interest receivable	6	1,018	828
Profit before taxation		2,492	2,167
Tax on profit	7	(294)	(193)
Profit for the year		2,198	1,974

All items in the statement of comprehensive income relate to continuing operations.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2017

	Called up share capital NZ$'000	Profit and loss account NZ$'000	Total equity NZ$'000
Balance at 1 January 2017	-	3,582	3,582
Profit after tax and total comprehensive income	-	2,198	2,198
Balance at 31 December 2017	-	5,780	5,780

	Called up share capital NZ$'000	Profit and loss account NZ$'000	Total equity NZ$'000
Balance at 1 January 2016	-	1,608	1,608
Profit after tax and total comprehensive income	-	1,974	1,974
Balance at 31 December 2016	-	3,582	3,582

The profit and loss account represents accumulated profit and loss.

BALANCE SHEET AS AT 31 DECEMBER 2017

	Notes	2017 NZ$'000	2016 NZ$'000
Fixed assets			
Investments	8	**6,712**	6,712
Current assets			
Debtors - due within one year	9	**198**	180
- due after more than one year	9	**13,609**	13,603
Cash at bank and in hand		**14**	688
		13,821	14,471
Current liabilities			
Creditors: amounts falling due within one year	10	**(1,325)**	(1,486)
Net current assets		**12,496**	12,985
Total assets less current liabilities		**19,208**	19,697
Creditors: amounts falling due after more than one year	10	**(13,428)**	(16,115)
Net assets		**5,780**	3,582
Capital and reserves			
Called up share capital	11	**-**	-
Profit and loss account		**5,780**	3,582
Shareholder's funds		**5,780**	3,582

The financial statements of John Laing Investments NZ Holdings Limited, registered number 08121647, were approved by the Board of Directors and authorised for issue on 7 June 2018. They were signed on its behalf by:

S M Colvin
Director
7 June 2018

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 NZ$'000	2016 NZ$'000
Net cash inflow from operating activities	12	**1,379**	1,275
Investing activities			
Interest received (net of withholding tax)		**1,339**	1,414
Loan repayments from joint venture		**148**	129
Net cash from investing activities		**1,487**	1,543
Financing activities			
Repayment of loan from parent undertaking		**(3,540)**	(3,220)
Net cash outflow from financing		**(3,540)**	(3,220)
Net decrease in cash at bank and in hand		**(674)**	(402)
Cash at bank and in hand at beginning of the year		**688**	1,090
Cash at bank and in hand at end of the year		**14**	688

Notes to the financial statements for the year ended 31 December 2017

1 ACCOUNTING POLICIES

John Laing Investments NZ Holdings Limited (the "Company") is a private limited company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office of the Company is given page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

a) Basis of preparation of accounts

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

The Company exists to hold an investment in a joint venture that provides services under a private finance agreement. The joint venture is set up as a special purpose company under non-recourse arrangements and therefore the Company has limited its exposure to the liabilities. In the event of default of the joint venture, the exposure is limited to the extent of the investment it has made. Having reviewed the Company's investment including the associated future cash requirements and forecast receipts, the Directors are satisfied that they 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.

The Directors have considered the functional currency of the Company and concluded that it should be the New Zealand Dollar. This is in light of the investment into the Wiri project and that cash flows from the Company's only investment is denominated in New Zealand Dollars. Monetary amounts in these financial statements are rounded to the nearest NZ$'000.

b) Basis of accounting for joint ventures

As the Company does not have subsidiaries, it is not required to produce consolidated financial statements. The Company's investment in its joint venture is recorded at cost less provision for impairment.

c) Turnover

Turnover is derived entirely from New Zealand in providing directors services to the joint venture project and excludes VAT.

d) Investments

Fixed asset investments are shown at cost less provision for impairment. Income from investments is included in the income statement as declared. Dividend income is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

e) Taxation

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.

Notes to the financial statements for the year ended 31 December 2017 (continued)

1 ACCOUNTING POLICIES (continued)

f) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

g) Financial instruments

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

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

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

h) 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 historial experience and other factors that are considered relevant. Actual results may differ from estimates.

The critical accounting estimate in the preparation of the accounts is impairment of the investment in SecureFuture Wiri Holdings Limited. Impairment is assessed based on the valuation of the investment in SecureFuture Wiri Holdings Limited. The valuation is carried out on a fair value basis assuming that forecast cash flows are received until maturity of the project. A base case discount rate is derived from secondary market information and other available data points. The base case discount rate is then adjusted to reflect project-specific risks. The cash flows on which the discounted cash flow valuation is based are those forecast to be distributable to the Company at each balance sheet date. These incorporate assumptions reflecting the Company's expectations of likely future cash flows including value enhancements.

Notes to the financial statements for the year ended 31 December 2017 (continued)

2 DIRECTORS' REMUNERATION

No Directors received any remuneration for services to the Company during the current or prior year. The Company is managed by secondees from the shareholder.

3 STAFF NUMBERS

The Company had no employees during the year (2016 - nil).

4 INCOME FROM SHARES IN JOINT VENTURE UNDERTAKINGS

	2017 NZ$'000	2016 NZ$'000
Dividend from shares in joint venture undertakings	**1,538**	1,199

5 OPERATING PROFIT

	2017 NZ$'000	2016 NZ$'000
Operating profit is stated after charging:		
Net foreign exchange loss / (gain)	64	(141)
Fees payable to the Company's auditor for the audit of the Company	5	5

6 NET INTEREST RECEIVABLE

	2017 NZ$'000	2016 NZ$'000
Interest receivable and similar income		
Interest receivable on amounts due from joint venture undertakings	**1,622**	1,585
	1,622	1,585
Interest payable and similar expenses		
Interest payable to parent undertakings	**(604)**	(757)
	(604)	(757)
Net interest receivable	**1,018**	828

Interest is earned on amounts due from joint venture undertakings at 10.5% per annum. All transactions are at arm's length.

Interest is payable on amounts owed to parent undertakings of NZ$13,592,000 (2016 - NZ$16,260,000) at 2.5% above base rate (2016 - 2.5% above base rate).

7 TAX ON PROFIT

Analysis of tax expense for the year	2017 NZ$'000	2016 NZ$'000
Total tax expense		
UK corporation tax - current year	**(72)**	(165)
Adjustment in respect of prior periods	**120**	-
Foreign tax	**(342)**	(28)
Total tax	**(294)**	(193)
Total tax expense	**(294)**	(193)

Factors affecting the tax expense for the current year

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

	2017 NZ$'000	2016 NZ$'000
Profit before taxation	**2,492**	2,167
Profit before taxation multiplied by the rate of corporation tax in the UK of 19.25% (2016 - 20%)	**(480)**	(433)
Foreign tax on dividends	**(230)**	-
Non-taxable income	**296**	240
Adjustments in respect of previous years	**120**	-
Total tax expense	**(294)**	(193)

For the year ended 31 December 2017 a blended tax rate of 19.25% has been applied (2016 – 20%). The UK Government has announced its intention to reduce the main corporation tax rate by 1% to 19% from 1 April 2017 and by a further 2% to 17% from 1 April 2020.

In year to 31 December 2016, foreign tax of £240,000 was shown net within income from shares in joint venture undertakings and interest receivable on amounts due from joint venture undertakings.

Notes to the financial statements for the year ended 31 December 2017 (continued)

8 INVESTMENTS

	Investment in Joint Venture NZ$'000
Cost and net book value	
At 1 January 2017 and 31 December 2017	6,712

The Company's investment is a 30% interest in SecureFuture Wiri Holdings Limited, which is registered in New Zealand. The joint venture's period end is 30 June. The registered office of SecureFuture Wiri Holdings Limited is Level 3, 37 Galway Street, Britomart, Auckland 1010, New Zealand.

The profit for the year ended 31 December 2017 of SecureFuture Wiri Holdings Limited under New Zealand GAAP was NZ$4,590,000 (2016 - loss NZ$1,346,000). The net assets as per balance sheet date 31 December 2017 were NZ$7,717,000 (2016 - NZ$8,252,000). Numbers disclosed are based on 100% share (the Company holds a 30% 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 NZ$2,315,000 (2016 - NZ$2,476,000).

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

9 DEBTORS

	2017 NZ$'000	2016 NZ$'000
Due within one year		
Amounts owed from joint venture	182	163
Group relief receivable	-	-
Other debtors	16	17
	198	180
Due after more than one year:		
Amounts owed from joint venture	13,609	13,603
	13,609	13,603

Amounts owed from joint venture due within one year comprises a loan of NZ$164,000 and directors' fees of NZ$18,000 (2016 - loans of NZ$145,000 and directors' fees of NZ$18,000) due from SecureFuture Wiri Holdings Limited.

Amounts owed from joint venture due after more than one year relates to a loan.

Amounts relating to loans are repayable under a repayment schedule and interest is charged at 10.5% per annum.
Amounts relating to directors fees are payable under commercial terms and no interest is charged on overdue amounts.

10 CREDITORS

	2017 NZ$'000	2016 NZ$'000
Amounts falling due within one year		
Amounts owed to parent undertakings	768	902
Amounts owed to group undertakings	337	272
Accruals and deferred income	5	5
Group relief payable	215	307
	1,325	1,486
Amounts falling due after more than one year		
Amounts owed to parent undertakings	13,428	16,115
	13,428	16,115

The amounts owed to parent undertakings comprise a shareholder loan of NZ$13,592,000 and interest on the loan of NZ$604,000 (2016 - a shareholder loan of NZ$16,260,000 and interest of NZ$757,000) provided to the Company in order to fulfill the Company's equity commitment to SecureFuture Wiri Holdings Limited. The loan is repayable on demand and interest is charged at a rate of 2.5% above base rate (2016 - 2.5% above base rate). The Directors have received confirmation from John Laing Investments Limited that the loan will not be recalled within the 12 months of the date of signing these financial statements. The amounts owed to parent undertakings shown as falling due within one year comprise the interest payable of NZ$604,000 and NZD$164,000, which is the amount expected to be received in 2018 from SecureFuture Wiri Holdings Limited on the loan notes (see note 9).

Amounts owed to group undertakings comprises amounts payable to Laing Investments Management Services (New Zealand) Limited in relation to directors' fees. Directors are seconded to the Company by Laing Investments Management Services (New Zealand) Limited to provide directors' services to the joint venture, SecureFuture Wiri Holdings Limited. All transactions are at arm's length.

Notes to the financial statements for the year ended 31 December 2017 (continued)

11 CALLED UP SHARE CAPITAL

	2017	2016
	NZ$'000	NZ$'000
Allotted, called up and fully paid:		
100 ordinary shares of £1 each	-	-

12 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2017	2016
	NZ$'000	NZ$'000
Operating profit	1,474	1,339
Movement in debtors	(1)	(11)
Movement in creditors	(94)	(53)
Group relief received	-	-
Net cash inflow from operating activities	1,379	1,275

13 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of John Laing Group plc, 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 plc group. A copy of the published financial statements of John Laing Group plc can be obtained from Companies House.

There were related party transactions between the Company and the following parties:

	2017	2016
	NZ$'000	NZ$'000
SecureFuture Wiri Holdings Limited		
Details of amounts receivable from SecureFuture Wiri Holdings Limited are as follows:		
Dividend income	1,538	1,199
Interest income	1,622	1,585
Directors' fees	73	76
Balance owed at 31 December		
Directors' fees	18	18
Loan notes	13,773	13,748

14 FINANCIAL INSTRUMENTS

The carrying values of the Company's financial assets and liabilities are summarised below:

	2017	2016
	NZ$'000	NZ$'000
Financial assets		
Equity investment measured at cost less impairment	6,712	6,712
Cash	14	688
Amounts owed by joint venture measured at amortised cost	13,791	13,766
Other debtors	16	17
	20,533	21,183
Financial liabilities		
Amounts owed to group and parent undertakings measured at amortised cost	14,533	17,289

Details of interest cost on financial liabilities is set out in note 6.

15 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is John Laing Investments 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. Copies of the Group accounts of John Laing Group plc are available from its registered office at 1 Kingsway, London, WC2B 6AN.

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