

Company Registration No. 08337154 (England and Wales)

**LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND)  
LIMITED**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**



# **LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	J Bailey S Colvin R Lea B Townsend	(Appointed 30 January 2018)
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<b>Secretary</b>	P Naylor
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<b>Company number</b>	08337154
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<b>Registered office</b>	1 Kingsway London WC2B 6AN United Kingdom
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<b>Auditors</b>	Deloitte LLP Statutory Auditor London United Kingdom
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<b>Bankers</b>	ANZ Banking Group Limited Auckland Q&V Branch ANZ House 203 Queen Street Auckland Central 1010 New Zealand
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# **LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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The Directors present their annual report and audited financial statements for the year ended 31 December 2017.

### **Going concern**

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

This report has been prepared with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### **Principal activities**

The principal activity of the Company continued to be that of supporting the bidding and investing activities of the John Laing group in New Zealand.

The Company has a branch registered in New Zealand.

### **Directors**

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

J Bailey

(Appointed 30 January 2018)

S Colvin

R Lea

B Townsend

### **Directors' insurance**

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.

### **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.

### **Auditor**

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

# **LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **Statement of Disclosure to the 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 provisions of section 418 of the Companies Act 2006.

### **Financial risk management objectives and policies**

The Company's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk.

The various types of financial risk and how they are managed are described below:

#### **Cash flow risk**

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company's exposure to changes in foreign currency exchange rates is from both revenue and costs, which provides a level of hedge. The Company does not use foreign exchange forward contracts. The Company's exposure to changes in interest rates is limited to loans due to and from group undertakings within the John Laing group, on which interest is charged at variable rates of interest. This risk is managed on a John Laing group basis.

#### **Credit risk**

The Company's principal financial assets are bank balances, trade debtors and amounts due from fellow group undertakings.

The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The credit risk on bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The credit risk on amounts due from fellow group undertakings is limited because the counterparties are core companies in the John Laing group with significant net assets and financial resources.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### **Liquidity risk**

The Company is reliant on the support of its immediate parent company to be able to meet its liabilities as they fall due. Further details regarding liquidity risk can be found in the Going Concern section of the accounting policies in the financial statements.

**LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND)  
LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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On behalf of the board



S Colvin

Director

11/7/18

# **LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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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 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.

# **LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED**

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#### **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 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 of Laing Investments Management Services (Netherlands) Limited (the 'Company') which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

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.



# **LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED**

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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 intend either to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **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](http://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 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, 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 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.

# **LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED**

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#### **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.

D. Winstone

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Daryl Winstone (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

London

United Kingdom

11 July 2018

# LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	253,715	417,914
Administrative expenses		(261,799)	(960,501)
<b>Operating loss</b>	4	<b>(8,084)</b>	<b>(542,587)</b>
Interest receivable and similar income	7	30,291	-
Interest payable and similar expenses	8	(69,789)	(64,642)
<b>Loss before taxation</b>		<b>(47,582)</b>	<b>(607,229)</b>
Taxation	9	8,541	121,446
<b>Loss for the financial year</b>		<b>(39,041)</b>	<b>(485,783)</b>

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

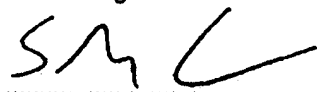
# LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Current assets</b>					
Debtors	10	572,157		853,595	
Cash at bank and in hand		27,057		31,424	
		<u>599,214</u>		<u>885,019</u>	
<b>Creditors: amounts falling due within one year</b>	11	(1,233,758)		(1,487,980)	
<b>Net current liabilities</b>			<u>(634,544)</u>		<u>(602,961)</u>
<b>Capital and reserves</b>					
Called up share capital	12		1		1
Other reserves			7,458		-
Profit and loss reserves	12		(642,003)		(602,962)
<b>Total deficit</b>			<u>(634,544)</u>		<u>(602,961)</u>

The financial statements were approved by the board of Directors and authorised for issue on 11 July 2018 and are signed on its behalf by:



S Colvin  
Director

Company Registration No. 08337154

# LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Called up share capital £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2016		1	-	(117,179)	(117,178)
Year ended 31 December 2016:					
Loss and total comprehensive income for the year		-	-	(485,783)	(485,783)
Balance at 31 December 2016		1	-	(602,962)	(602,961)
Year ended 31 December 2017:					
Loss and total comprehensive loss for the year		-	-	(39,041)	(39,041)
Capital contribution on share-based incentives		-	7,458	-	7,458
Balance at 31 December 2017		1	7,458	(642,003)	(634,544)

# **LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **1 Accounting policies**

#### **Company information**

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

#### **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 financial statements are prepared in pound 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 Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in respect of share-based incentives, financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

#### **1.2 Going concern**

The Company has net liabilities as at 31 December 2017 and is reliant on the support of its immediate parent company to be able to meet its liabilities as they fall due. However, the Directors consider that the Company is an integral part of the John Laing group's structure and strategy and this is evidenced by a letter of support from John Laing Investments Limited, which states its intention 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.

#### **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 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.

# LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

(Continued)

#### 1.5 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.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

##### **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.

# **LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **1 Accounting policies**

**(Continued)**

#### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

#### ***Other financial liabilities***

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

#### ***Derecognition of financial liabilities***

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

### **1.6 Equity instruments**

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

### **1.7 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.



# LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

(Continued)

#### *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.

#### 1.8 Share-based payments

The Company has certain employees who are eligible for awards under John Laing Group plc's share based incentive arrangements. John Laing Group plc operates share-based incentive arrangements for Executive Directors, senior executives and other eligible employees under which awards are granted over John Laing Group plc's ordinary shares. Awards are conditional on the relevant employee completing three years' service (the vesting period). The awards vest three years from the grant date, subject to the Group achieving a target share-based performance condition, total shareholder return (50% of the award), and a non-market based performance condition, net asset value growth per share (50% of the award). The Group has no legal or constructive obligation to repurchase or settle the awards in cash.

The cost of share based incentive arrangements is calculated for each individual eligible employee and then aggregated to arrive at the total Group cost. The Company recognises an expense through its income statement in relation to its own employees and also recognises a capital contribution through other reserves to reflect that the cost will ultimately be borne by John Laing Group plc through the issue or purchase of ordinary shares.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under both the original terms and conditions and under the modified terms and conditions is determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### 1.9 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 (NEW ZEALAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 1 Accounting policies (Continued)

#### 1.10 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 are included in the profit and loss account for the period.

### 2 Critical accounting 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:

	2017 £	2016 £
<b>Turnover</b>		
Service fee revenue	38,109	42,990
Management recharges	215,606	374,925
	<u>253,715</u>	<u>417,914</u>

#### Other significant revenue

Interest income	<u>30,291</u>	<u>-</u>
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#### Turnover analysed by geographical market

	2017 £	2016 £
<b>New Zealand</b>	<u>253,715</u>	<u>417,914</u>

### 4 Operating loss

Operating loss for the year is stated after charging/(crediting):

	2017 £	2016 £
Exchange (gains)/losses	(98,850)	264,035
Fees payable to the Company's auditors for the audit of the Company	2,873	2,790
Share-based payments	7,458	-
Operating lease charges	<u>8,976</u>	<u>8,450</u>

# LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 5 Employees

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

	1	1
Their aggregate remuneration comprised:		
	2017	2016
	£	£
Wages and salaries	248,732	151,455
Social security costs	22,160	45,159
Share-based payments	7,458	-
	<u>278,350</u>	<u>196,614</u>

### 6 Directors' remuneration

	2017	2016
	£	£
Remuneration for qualifying services	248,732	151,455
Share-based payments	7,458	-

The number of Directors who participated in share schemes during the year was 1 (2016:0). Remuneration disclosed above is also the amounts paid to the highest director.

### 7 Interest receivable and similar income

	2017	2016
	£	£
Interest income		
Interest receivable from group companies	<u>30,291</u>	<u>-</u>

### 8 Interest payable and similar expenses

	2017	2016
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	39
Interest payable to fellow group undertakings	<u>69,789</u>	<u>64,603</u>
Total interest expense	<u>69,789</u>	<u>64,642</u>

# LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 9 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on (loss) for the current period	(7,691)	(121,446)
Adjustment in respect of prior years	418	-
<b>Total UK current tax</b>	<b>(7,273)</b>	<b>(121,446)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,436)	-
Changes in tax rates	168	-
<b>Total deferred tax</b>	<b>(1,268)</b>	<b>-</b>
<b>Total tax credit</b>	<b>(8,541)</b>	<b>(121,446)</b>

For the year ended 31 December 2017 a tax rate of 19.25% has been applied (2016 – 20%). The UK Government has announced its intention to reduce the main corporation tax rate a further 2% to 19% from 1 April 2020. The Company expects that the majority of deferred tax assets will be realised after 1 April 2020 and therefore the Company has measured its deferred tax assets at 31 December 2017 at 17%.

### 10 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Corporation tax recoverable	128,813	-
Amounts due from fellow group undertakings	420,525	577,967
Other debtors	19,547	111,263
Prepayments and accrued income	2,004	164,365
	<b>570,889</b>	<b>853,595</b>
Deferred tax asset (note 13)	1,268	-
	<b>572,157</b>	<b>853,595</b>

The amounts due from fellow group undertakings primarily comprise trading balances of £390,000 and interest receivable of £30,000 on a loan that is netted off within amounts due to fellow group undertakings in note 11. The trading balances are payable under commercial terms.

# LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 11 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	145	168,267
Amounts due to fellow group undertakings	1,128,448	1,259,984
Other taxation	-	12,798
Accruals and deferred income	105,165	46,931
	<u>1,233,758</u>	<u>1,487,980</u>

The amounts due to fellow group undertakings primarily comprise loans denominated in either pound sterling, Australian or New Zealand dollars, which are repayable on demand, together with related interest. Interest is charged at 2.5% above base rates prevailing in the market for each currency.

### 12 Share capital and other reserves

	2017 £	2016 £
Ordinary share capital Issued and fully paid 1 ordinary share of £1	<u>1</u>	<u>1</u>

#### Other Reserves

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses.

The other reserves represents the capital contribution to the equity based share options scheme

### 13 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 2017 £	Assets 2016 £
Other timing differences	1,436	-
Effect of change in corporation tax rate	(168)	-
	<u>1,268</u>	<u>-</u>

# LAING INVESTMENTS MANAGEMENT SERVICES (NEW ZEALAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 13 Deferred taxation

(Continued)

	2017 £
<b>Movements in the year:</b>	
Liability at 1 January 2017	-
Credit to profit or loss	(1,436)
Effect of change in tax rate - profit or loss	168
	<u>          </u>
Liability/(Asset) at 31 December 2017	<u>(1,268)</u>

Accelerated capital allowances and any payments under long term incentive plans will reduce future taxable profits or, to the extent that they create current year losses, will be surrendered for consideration at the prevailing corporation tax rate. It is therefore appropriate to recognise a deferred tax asset on these amounts.

### 14 Operating lease commitments

#### Lessee

The Company operates a lease arrangement at West Plaza Business Centre, Auckland, New Zealand. These offices are rented on a rolling 12 month basis. Total future minimum lease payments under non cancellable operating leases are £9,200.

### 15 Related party transactions

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 at [www.laing.com](http://www.laing.com).

### 16 Controlling party

The Company's immediate parent company is John Laing Group plc, a listed company incorporated in the United Kingdom and registered in England and Wales. The smallest and largest group in which its results are consolidated is John Laing Group plc. Copies of its accounts are available at [www.laing.com](http://www.laing.com).

The Company's ultimate parent and controlling entity is John Laing Group plc. The registered address of John Laing Group plc is 1 Kingsway, London, WC2B 6AN, United Kingdom.