

JOHN LAING SOCIAL INFRASTRUCTURE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

FRIDAY



A17QFL5L

A37

27/04/2012

#364

COMPANIES HOUSE

Registered Number 3576132

JOHN LAING SOCIAL INFRASTRUCTURE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

CONTENTS	Page
Directors and advisors	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report to the members of John Laing Social Infrastructure Limited	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 12
List of subsidiaries and joint ventures	13

JOHN LAING SOCIAL INFRASTRUCTURE LIMITED

DIRECTORS AND ADVISORS

Directors

A J H Ewer
D Potts
C B Waples

Company secretary and registered office

R K Miller
Allington House
150 Victoria Street
London
SW1E 5LB

Auditor

Deloitte LLP
Chartered Accountants
London

Principal bankers

National Westminster Bank Plc, Brecon Branch
27 High Street
Brecon
Powys
LD3 7LF

Barclays Bank plc
Level 28
1 Churchill Place
London
E14 5HP

JOHN LAING SOCIAL INFRASTRUCTURE LIMITED

DIRECTORS' REPORT

The Directors submit their Annual Report and the audited financial statements for the year ended 31 December 2011

The Directors' report has been prepared in accordance with the special provisions relating to small companies

The Company is a wholly owned subsidiary of John Laing Investments Limited, which in turn is a wholly owned subsidiary of John Laing plc

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The principal activity of the Company is to invest in PFI accommodation projects in the public sector in the United Kingdom

The Company sold 5 of its joint venture projects and 5 of its subsidiaries during the year. The total cash receipts from these sales were £49,762,000 and £13,131,000 respectively

The Company made equity and loan subscriptions to Primary Plus Limited in respect of future LIFT schemes and to Regenter Limited

Further details on sale of investments can found on note 12

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

FUTURE DEVELOPMENTS

The Company will continue as an investment company holding investments in various sectors and locations

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a Director at the date of approval of this report confirms that

- as far as the Director is aware, there is no relevant audit information of which the Company's auditor are unaware, and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor are 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 are shown on page 1

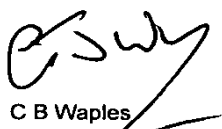
EMPLOYEES

Details of the number of employees and related costs can be found in note 6 to the financial statements on page 8

AUDITOR

Deloitte LLP have indicated their willingness to be re-appointed for another term and appropriate arrangements have been put in place for them to be deemed re-appointed as auditor in the absence of an AGM

On behalf of the Board



C B Waples
Director

19 March 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN LAING SOCIAL INFRASTRUCTURE LIMITED

We have audited the financial statements of John Laing Social Infrastructure Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for auditor.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies in the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report.



Ross Howard (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
19 March 2012

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). 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.

JOHN LAING SOCIAL INFRASTRUCTURE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
Turnover	2	53	23
Cost of sales		(340)	(7)
Gross (loss) / profit		(287)	16
Other operating income and administrative expenses		(1,936)	(2,132)
Impairment of investments	3	730	(1,847)
Operating loss	4	(1,493)	(3,963)
Income from shares in group undertakings	7	1,585	6,617
Profit on disposal of investments	8	30,505	65,215
Profit on ordinary activities before interest		30,597	67,869
Net interest receivable	9	4,825	5,820
Profit on ordinary activities before taxation		35,422	73,689
Tax on profit on ordinary activities	10	(879)	(1,095)
Profit for the financial year	17	34,543	72,594

A reconciliation of movements in shareholder's funds is given in note 18

All items in the profit and loss account relate to continuing operations

There is no material difference between the results stated in the profit and loss account and their historical cost equivalents

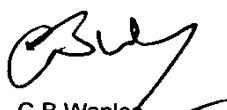
All gains and losses are recognised in the profit and loss account in both the current and preceding year, and therefore no separate statement of total recognised gains and losses has been presented

JOHN LAING SOCIAL INFRASTRUCTURE LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
Fixed assets			
Investments	12	56,246	81,824
Current assets			
Debtors		138,381	79,880
- due within one year	13	128,848	54,214
- due after more than one year	13	9,533	25,666
Cash at bank and in hand		37	315
		<u>138,418</u>	<u>80,195</u>
Current liabilities			
Creditors amounts falling due within one year	14	(52,036)	(52,514)
Net current assets		<u>86,382</u>	<u>27,681</u>
Total assets less current liabilities		<u>142,628</u>	<u>109,505</u>
Net assets		<u>142,628</u>	<u>109,505</u>
Capital and reserves			
Called up share capital	16	14,472	14,472
Share premium account	17	67,232	67,232
Profit and loss account	17	60,924	27,801
Shareholder's funds	18	<u>142,628</u>	<u>109,505</u>

The financial statements of John Laing Social Infrastructure Limited, registered number 3576132, were approved by the Board of Directors and authorised for issue on March 2012. They were signed on its behalf by


C B Waples
Director
19 March 2012

JOHN LAING SOCIAL INFRASTRUCTURE LIMITED

Notes to the financial statements for the year ended 31 December 2011

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

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

The Company is a wholly owned subsidiary undertaking of John Laing plc and as such is exempt under FRS1 (revised 1996) from the requirement to prepare its own cash flow statement.

As a wholly owned subsidiary undertaking the Company is also exempt under section 400 of the Companies Act 2006 from any requirement to prepare consolidated financial statements for its group. Accordingly, the financial statements present information about the Company as an individual undertaking, and the results of subsidiary and joint ventures are reflected in these accounts only to the extent that dividends have been declared.

The Company exists to hold investments in its subsidiaries and joint ventures that provides services under certain private finance agreements. The subsidiary 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 subsidiary, the exposure is limited to the extent of the investment it has made.

Having reviewed the Company's investment portfolio 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.

b) Investments

Fixed asset investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value. Income from investments is included in the profit and loss account as declared.

c) 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 FRS19 'Deferred Tax', deferred taxation is recognised 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.

JOHN LAING SOCIAL INFRASTRUCTURE LIMITED

Notes to the financial statements for the year ended 31 December 2011 (continued)

2 TURNOVER

	2011 £'000	2010 £'000
Turnover in the year is analysed as follows		
Service fee revenue	53	23
	<u>53</u>	<u>23</u>

3 IMPAIRMENT OF INVESTMENTS

	2011 £'000	2010 £'000
Impairment of investments	(730)	1,847

During the year the Company made a reversal of the £730,000 impairment made in 2010 on its shareholdings in Cleveland FM Services Limited

4 OPERATING LOSS

	2011 £'000	2010 £'000
Operating loss is stated after charging		
Fees payable to the Company's auditor for the audit of the Company	3	2

5 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 shareholders under a management services contract.

6 STAFF NUMBERS

The Company had no employees during the year (2010 - nil)

7 INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2011 £'000	2010 £'000
Dividend from shares in group undertakings	1,585	6,617

8 PROFIT ON DISPOSAL OF INVESTMENTS

	2011 £'000	2010 £'000
Profit on disposal of investments	30,505	65,215

See note 12 for details of disposals of investments

9 NET INTEREST RECEIVABLE

	2011 £'000	2010 £'000
Interest receivable and similar income		
Interest receivable on amounts due from group undertakings	3,143	5,543
Other interest receivable	2,450	676
	<u>5,593</u>	<u>6,219</u>
Interest payable and similar charges		
Other interest payable	(768)	(399)
	<u>(768)</u>	<u>(399)</u>
Net interest receivable	<u>4,825</u>	<u>5,820</u>

JOHN LAING SOCIAL INFRASTRUCTURE LIMITED

Notes to the financial statements for the year ended 31 December 2011 (continued)

10 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011 £'000	2010 £'000
<u>Analysis of tax charge for the year</u>		
Current tax		
Group relief payable	(781)	(1,265)
Adjustments in respect of previous periods	(98)	170
Total current tax	<u>(879)</u>	<u>(1,095)</u>
Total tax charge on profit on ordinary activities	<u>(879)</u>	<u>(1,095)</u>

Factors affecting tax charge 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 profit before tax are as follows

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	<u>35,422</u>	<u>73,689</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26.5% (2010 - 28%)	<u>(9,387)</u>	<u>(20,633)</u>
Effects of:		
Expenses not deductible for tax purposes	102	(228)
Origination and reversal of timing differences	-	-
Adjustments in respect of previous years	(98)	170
Non taxable UK dividend income	420	1,853
Non taxable profits on disposal of investments	8,084	17,743
Total current tax charge for the year	<u>(879)</u>	<u>(1,095)</u>

For the year ended 31 December 2011, the blended UK rate of 26.5% is applied due to the change in the UK corporation tax rate from 28% to 26% with effect from 1 April 2011

11 DIVIDENDS

	2011 £'000	2010 £'000
The following have been paid during the year		
Equity shares		
- interim and final dividend paid of £nil (2010 - £3.45) per share	-	(50,000)
- interim dividend in specie paid of £0.10 (2010 - £0.45) per ordinary share	<u>(1,420)</u>	<u>(6,444)</u>
	<u>(1,420)</u>	<u>(56,444)</u>

JOHN LAING SOCIAL INFRASTRUCTURE LIMITED

Notes to the financial statements for the year ended 31 December 2011 (continued)

12 INVESTMENTS

	Subsidiary undertakings	Joint ventures	
	Equity £'000	Equity £'000	Loans £'000
Cost			Total £'000
At 1 January 2011	53,568	9,015	21,182
Additions	-	-	1,548
Disposals	(2,293)	(8,687)	(12,006)
Reclassification	(445)	445	44
Repayments	-	-	(4,914)
At 31 December 2011	50,830	773	5,854
Provisions for Impairment			
At 1 January 2011	(1,117)	(94)	(730)
Impairment charge	-	-	730
At 31 December 2011	(1,117)	(94)	-
Net book value			
At 31 December 2011	49,713	679	5,854
At 31 December 2010	52,451	8,921	20,452

The Company's subsidiary undertakings and joint ventures are listed on page 13

Disposals of equity in subsidiary undertakings comprises sales of 100% of the Company's holdings in Education Support (Newham) Holdings Limited for a profit of £1,575,375 on cost of £800, Regenter Bentilee District Centre (Holdings) Limited for a profit of £1,041,824 on cost of £938,203, Education Support (Enfield) Holdings Limited for a profit of £1,770,999 on cost of £967,001, Education Support (Enfield 2) Holdings Limited for a profit of £1,681,022 on cost of £800 and Education Support (Swindon) Holdings Limited for a profit of £9,907,548 on cost of £10,000. Furthermore, the disposals included a transfer of 45.83% of its share holdings in Services Support (BTP) Holdings Limited for a profit of £979,348 on cost of £376,212 to the John Laing Pension Fund.

Disposals of equity in joint ventures comprises sales of 100% of the Company's holdings in Meridian Hospital Company (Holdings) Limited for a profit of £1,716,050 on cost of £3,938,125, The Edinburgh Schools Partnership Limited for a profit of £934,420 on cost of £632,840, Cleveland FM Services Holdings Limited for a profit of £1,564,831 on cost of £4,250 and Primary Plus Holdings Limited for a profit of £9,329,380 on cost of £4,112,170.

Disposals of loans in joint ventures comprises of Cleveland FM Services Limited £1,345,919, Meridian Hospital Company (Holdings) Limited £492,825, Primary Plus Holdings Limited £9,808,071 and The Edinburgh Schools Partnership Limited £359,268.

Repayments of loans in joint ventures comprises of Cleveland FM Services Limited £6,819, Healthcare Support (Newcastle) Holdings Limited £27,760, Primary Plus Holdings Limited £489,886, Regenter JV Limited £3,600,000 and The Edinburgh Schools Partnership Limited £60,000.

Additions of loans in joint ventures comprises of Regenter Limited £785,000 and Primary Plus Limited £33,713.

In the opinion of the Directors the aggregate value of the investment in subsidiary undertakings and joint ventures is not less than the amount stated in the balance sheet.

13 DEBTORS

	2011 £'000	2010 £'000
Due within one year		
Amounts owed from group undertakings	128,624	48,584
Amounts owed by joint venture/parent undertaking	223	5,458
Other debtors	-	8
Prepayments and accrued income	1	164
	128,848	54,214
Due after more than one year		
Amounts owed from group undertakings	9,533	25,666
	9,533	25,666

The amount owed by group undertakings in the current and prior year is repayable in instalment in line with agreements with group undertakings. Interest is charged at agreed arms length interest rates.

JOHN LAING SOCIAL INFRASTRUCTURE LIMITED

Notes to the financial statements for the year ended 31 December 2011 (continued)

14 CREDITORS

	2011 £'000	2010 £'000
Amounts falling due within one year		
Amounts owed to group undertakings	50,840	51,091
Trade creditors	-	15
Group relief payable	879	1,095
Other taxation and social security	-	1
Accruals and deferred income	317	312
	<u>52,036</u>	<u>52,514</u>

The amount owed to group undertakings comprises a loan with Hyder Investments Limited and is payable on demand

15 CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

The Company is a guarantor under the £305 million syndicated committed facility and the £10 million committed facility with Barclays Bank plc, each dated 25 November 2010 and the AUD 15 million committed facility with Australia and New Zealand Banking Group Limited dated 16 December 2010 each entered into by John Laing plc and hence guarantees utilisations under these facilities. At 31 December 2011, the total amount utilised under these facilities was £186.5 million (2010 - £172.4 million)

As at 31 December 2011 future commitments on investments amounted to £33,541,000 (2010 - £33,862,000)

	2011 £'000	2010 £'000
Less than one year	33,541	-
Greater than one year but less than 2 years	-	33,862
	<u>33,541</u>	<u>33,862</u>

16 CALLED UP SHARE CAPITAL

	2011 £'000	2010 £'000
Allotted, called up and fully paid		
14,472,000 ordinary shares of £1 each	14,472	14,472

17 MOVEMENT IN RESERVES

	Share Premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2011	67,232	27,801	95,033
Profit for the financial year	-	34,543	34,543
Dividends paid on equity shares (note 11)	-	(1,420)	(1,420)
At 31 December 2011	<u>67,232</u>	<u>60,924</u>	<u>128,156</u>

JOHN LAING SOCIAL INFRASTRUCTURE LIMITED

Notes to the financial statements for the year ended 31 December 2011 (continued)

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2011 £'000	2010 £'000
Profit for the financial year	34,543	72,594
Dividends paid on equity shares (note 11)	(1,420)	(56,444)
Net addition to called up share capital	33,123	16,150
Opening shareholder's funds	109,505	93,355
Closing shareholder's funds	142,628	109,505

19 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of John Laing plc, the Company has taken advantage of the exemption under Financial Reporting Standard 8 not to provide information on related party transactions with other undertakings within the John Laing plc group. Note 20 gives details of how to obtain a copy of the published financial statements of John Laing plc.

20 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is John Laing Investments Limited, a company incorporated in Great Britain.

The smallest group in which its results are consolidated is John Laing plc, a company incorporated in Great Britain and registered in England and Wales. The largest group in which its results are consolidated is Henderson Infrastructure Holdco (Jersey) Limited, a company incorporated in Jersey, Channel Islands and registered in Jersey, Channel Islands. Copies of the consolidated accounts of John Laing plc are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The Company's ultimate parent and controlling entity is Henderson Infrastructure Holdco (Jersey) Limited, a company incorporated in Jersey, Channel Islands.

JOHN LAING SOCIAL INFRASTRUCTURE LIMITED

SUBSIDIARIES AND JOINT VENTURES

Company name	Class and percentage of shares held	Principal activity	Country of incorporation
Defence Support (St Athan) Limited	Ordinary shares of £1 (100%)	PFI accommodation operator	Great Britain
Forth Health Limited	Ordinary shares of £1 (50%)	PFI accommodation operator	Great Britain
Healthcare Support (Newcastle) Limited	Ordinary shares of £1 (15%)	PFI accommodation operator	Great Britain
Healthcare Support (North Staffs) Limited	Ordinary shares of £1 (100%)	PFI accommodation operator	Great Britain
Healthcare Support (Erdington) Limited	Ordinary shares of £1 (100%)	PFI accommodation operator	Great Britain
Hyder Investments Limited*	Ordinary shares of £1 (100%)	PPP infrastructure operator	Great Britain
Laing Investments Greenwich Limited *	Ordinary shares of £1 (100%)	PPP accommodation operator	Great Britain
Laing Shelf C1 Limited	Ordinary shares of £1 (100%)	PPP accommodation developer and operator	Great Britain
Regenter Limited *	Ordinary shares of £1 (50%)	Holding company	Great Britain
Regenter Management Services Limited	Ordinary shares of £1 (50%)	Management and administrative services	Great Britain
Services Support (BTP) Limited	Ordinary shares of £1 (54.17%)	PFI accommodation operator	Great Britain
Services Support (Cleveland) Limited	Ordinary shares of £1 (27.08%)	PFI accommodation operator	Great Britain
Services Support (SEL) Limited	Ordinary shares of £1 (25%)	PFI accommodation operator	Great Britain

* shares owned directly by the Company