

COUNTYROUTE LIMITED

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2005

Registered Number: 3679991



DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

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DIRECTORS AND ADVISORS

Directors

M Mercer-Deadman

D Potts

A C Roper (resigned 15 March 2006)

P G Shell

Company secretary and registered office

P G Shell

Allington House

150 Victoria Street

London SW1E 5LB

Auditors

Deloitte & Touche LLP

Chartered Accountants

London

Solicitors

CMS Cameron McKenna

London

Principal banker

Dresdner Bank AG

London Branch

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the holding of an unlisted investment of 849,999 ordinary shares in CountyRoute (A130) plc, a Special Purpose Company set up to fulfil obligations under a PFI contract with Essex County Council.

REVIEW OF THE YEAR

The Company received interest in the year on loan notes of £1,170,170 issued by CountyRoute (A130) plc. The Company paid interest in the year on loan notes issued by Laing Investments Limited of £398,135. On the 9 May 2005, the loan notes issued to Laing Investments Limited were transferred to Laing Roads Limited, to whom the Company paid interest of £772,035 for the remainder of the year.

There were no other items of income or expenditure in the year.

RESULTS AND DIVIDENDS

The result for the year before taxation amounted to £nil (2004 - £nil). After taxation and group relief of £nil (2004 - £nil), result for the year was £nil (2004 - £nil).

The Directors do not recommend the payment of a dividend (2004 - £nil).

DIRECTORS

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

DIRECTORS' INTERESTS

No Director held any interests in the shares of the Company, or had any personal interest in any significant or material contract with the Company, during the year ended 31 December 2005.

The interests of D Potts in the shares of John Laing plc, the Company's ultimate parent undertaking, are disclosed in the accounts of John Laing plc. The interests of A C Roper in the shares of John Laing plc, the Company's ultimate parent undertaking, are disclosed in the accounts of Laing Investments Limited. The interests of M J Mercer-Deadman and P G Shell in the shares of John Laing plc, the Company's ultimate parent undertaking, are disclosed in the accounts of Laing Roads Limited.

AUDITORS

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

On behalf of the Board



D Potts
Director
12 April 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements. The Directors have chosen to prepare accounts for the Company in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). United Kingdom Company law requires the Directors to prepare such financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the year and of the profit or loss of the Company for that period and comply with UK GAAP and the Companies Act 1985. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company, for safeguarding the assets, for taking reasonable steps for the prevention and detection of fraud and other irregularities and for the preparation of a Directors' report which comply with the requirements of the Companies Act 1985.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COUNTYROUTE LIMITED

We have audited the financial statements of CountyRoute Limited for the year ended 31 December 2005 which comprise the profit and loss account, the balance sheet and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

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

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2005 and of its result for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
London

12 April 2006

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2005

	2005	2004
	£'000	£'000
Interest receivable and similar income	1,170	978
Interest payable and similar charges	(1,170)	(978)
Result for the financial year	<u>-</u>	<u>-</u>

A reconciliation of movements in equity shareholders' funds is given in note 8.

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.

COUNTYROUTE LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005 £'000	2004 £'000
Fixed assets			
Investments	4	12,062	10,924
Current assets			
Debtors	5	311	279
Creditors: amounts falling due within one year	6	(11,523)	(10,353)
Net current assets		<u>(11,212)</u>	<u>(10,074)</u>
Net assets		<u>850</u>	<u>850</u>
Capital and reserves			
Called up share capital	7	850	850
Equity shareholders' funds	8	<u>850</u>	<u>850</u>

The financial statements were approved by the Board of Directors on 12 April 2006 and were signed on its behalf by:



D Potts
Director
12 April 2006

Notes to the financial statements for the year ended 31 December 2005

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards. A summary of the principal accounting policies adopted by the Directors, which have been applied consistently, is shown below.

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

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

b) Investments

Fixed asset investments are shown at cost less provision for impairment.

2 DIRECTORS' REMUNERATION

No Directors received any remuneration for services to the Company during the current or prior year.

3 STAFF NUMBERS

The Company had no employees during the year (2004 - nil).

4 INVESTMENTS

	Interests in in group undertakings £'000
Cost	
At 1 January 2005	10,924
Additions	1,138
At 31 December 2005	<u>12,062</u>
Net book value	
At 31 December 2005	<u>12,062</u>
At 31 December 2004	<u>10,924</u>

The sole investment is a majority interest in CountyRoute (A130) plc, which is incorporated in Great Britain and registered in England and Wales and its principal activity is the design, build, finance and operate roads in accordance with an agreement with the Essex County Council.

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

COUNTYROUTE LIMITED

Notes to the financial statements for the year ended 31 December 2005 (continued)

5 DEBTORS

	2005	2004
	£'000	£'000
<u>Due within one year:</u>		
Amounts owed by subsidiary undertaking	311	279
	<u>311</u>	<u>279</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£'000	£'000
Loan notes	9,375	9,375
Amounts owed to group undertaking	2,148	978
	<u>11,523</u>	<u>10,353</u>

Analysis of debt:

Debt can be analysed as falling due:

In one year or less, on demand	9,375	9,375
	<u>9,375</u>	<u>9,375</u>

The loan notes of £9,375,000 were issued by Laing Investments Limited as part of the committed shareholder funding for the project. On the 9 May 2005, these loan notes were transferred from Laing Investments Limited to Laing Roads Limited. Interest is chargeable at 11% per annum and the loan notes are due for repayment by 31 March 2026.

The analysis of prior year creditors was amended to correctly disclose the unsecured loan notes and related interest payable in amounts falling due within one year.

7 CALLED UP SHARE CAPITAL

	2005	2004
	No.	No.
Authorised:		
	<u>850,000</u>	<u>850,000</u>
	£'000	£'000
Allotted, called up and fully paid:		
850,000 ordinary Shares at £1 each	<u>850</u>	<u>850</u>

8 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2005	2004
	£'000	£'000
Opening shareholders' funds	850	500
Issue of shares	-	350
Closing shareholders' funds	<u>850</u>	<u>850</u>

9 CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

As at 31 December 2005, there were no future commitments on investments (2004 - nil).

Notes to the financial statements for the year ended 31 December 2005 (continued)

10 TRANSACTIONS WITH RELATED PARTIES

As a greater than 90% 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 11 gives details of how to obtain a copy of the published financial statements of John Laing plc.

11 ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary of Laing Roads Limited, a company incorporated in Great Britain and registered in England and Wales.

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

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