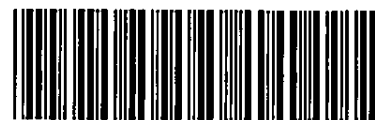


**LAING INVESTMENTS MANAGEMENT SERVICES (EUROPE)
LIMITED**

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2009**

Registered Number 04367941

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DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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DIRECTORS AND ADVISERS

Directors

G Lucas
D Potts (resigned 5th March 2010)
J Webb
I Wells (resigned 30 June 2009)
A Charlesworth (appointed 30 June 2009)

Company secretary and registered office

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

Auditors

Deloitte LLP
Chartered Accountants
London

Solicitors

Ambruz & Dark, advokati, v o s
Prague 2
Czech Republic
120 00

Principal bankers

Natwest
Brecon Branch
27 High Street
Brecon
Powys
LD3 7LF

DIRECTORS' REPORT

The Directors submit their annual report and the audited financial statements for the year ended 31 December 2009

The Director's report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006

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 was to provide management services to the John Laing plc group including conducting the groups bidding activity in the Czech Republic and Eastern Europe

In 2009, the Directors determined that, due to the uncertainties caused by the global financial crisis and continuing uncertainty of the future project pipeline, the Company no longer requires a physical presence in the Czech Republic and therefore the Prague office has been closed and the branch is being liquidated. The Directors intend that the Company bears the costs of office liquidation and thereafter will cease to trade. Therefore the accounts been prepared on a basis other than going concern. More information is provided in note 1 to the financial statements

The Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of the John Laing plc group, including the performance of this Company is discussed in the Operating and Financial Review of the John Laing plc Annual Report and Accounts

RESULTS AND DIVIDENDS

The loss for the year before taxation amounted to £448,142 (2008 - loss £1,544,015). After a group relief receivable of £108,309 (2008 - £494,407), and deferred tax of £186 (2008 - £97), the loss for the year was £339,833 (2008 - loss £1,049,608)

The Directors do not recommend the payment of a dividend (2008 - £nil)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are 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 auditors 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

DIRECTORS' REPORT (continued)

EMPLOYEES

Details of the number of employees and related costs can be found in note 4 to the financial statements on page 9

AUDITORS

Pursuant to section 386 Companies Act 1985, an elective resolution was passed on 17 August 2006 dispensing with the requirement to appoint auditors annually. This election was in force immediately before 1 October 2007. Therefore, Deloitte LLP are deemed to continue as auditors.

On behalf of the Board



JE Webb
Director
18 March 2010

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 period. 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, 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 AUDITORS' REPORT TO THE MEMBERS OF LAING INVESTMENTS MANAGEMENT SERVICES (EUROPE) LIMITED

We have audited the financial statements of Laing Investments Management Services (Europe) Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes 1 to 14. 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 sections 495 and 496 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 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

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 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 Auditors.

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.

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 2009 and of its loss 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.

Emphasis of Matter – Financial Statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.


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

14 March 2010

LAING INVESTMENTS MANAGEMENT SERVICES (EUROPE) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Administrative expenses		(395,962)	(1,474,488)
Operating loss	2	<u>(395,962)</u>	<u>(1,474,488)</u>
Loss on ordinary activities before interest		<u>(395,962)</u>	<u>(1,474,488)</u>
Net interest payable	5	(52,180)	(69,527)
Loss on ordinary activities before taxation		<u>(448,142)</u>	<u>(1,544,015)</u>
Tax credit on loss on ordinary activities	6	108,309	494,407
Loss for the financial year	11	<u>(339,833)</u>	<u>(1,049,608)</u>

A reconciliation of movements in shareholder's deficit is given in note 12

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, therefore no separate note of historical cost profits and losses has been presented

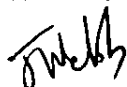
All gains and losses are recognised in the profit and loss account in both the current year and preceding period, and therefore no separate statement of total recognised gains and losses has been presented

LAING INVESTMENTS MANAGEMENT SERVICES (EUROPE) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	7	-	1,389
Current assets			
Debtors due within one year	8	108,387	537,752
Debtors due after more than one year	8	283	97
Cash at bank and in hand		<u>68,914</u>	<u>131,210</u>
		177,584	669,059
Creditors amounts falling due within one year	9	(2,114,639)	(2,267,670)
Net current liabilities		<u>(1,937,055)</u>	<u>(1,598,611)</u>
Total assets less current liabilities		<u>(1,937,055)</u>	<u>(1,597,222)</u>
Net liabilities		<u>(1,937,055)</u>	<u>(1,597,222)</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account	11	(1,937,057)	(1,597,224)
Shareholder's deficit	12	<u>(1,937,055)</u>	<u>(1,597,222)</u>

The financial statements of Laing Investments Management Services (Europe) Limited, registration number 04367941, were approved by the Board of Directors and authorised for issue on 18 March 2010. They were signed on its behalf by



JE Webb
Director
18 March 2010

Notes to the financial statements for the year ended 31 December 2009

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 except as noted, 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.

The Company has ceased to trade, in particular its principal activity has ceased, and therefore the accounts have been prepared on a basis other than going concern. It is the intention of the Directors that the Company bears the cost of winding down its operations and the Company is accordingly in a net current liability position as at 31 December 2009. It is therefore reliant on the support of its immediate parent company to be able to meet these liabilities as they fall due. A letter of support has been provided by John Laing Investments Limited, which states its intention to provide the necessary financial support.

b) 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 group'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.

c) PFI Bid Costs

PFI bid costs are charged to the profit and loss account. Costs are only capitalised when an agreement is in place demonstrating that costs are fully recoverable.

The recovery of bid costs from project companies is recognised in the period of financial close.

d) Foreign Exchange

Transactions in foreign currencies are recorded at the date 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. All exchange differences are included in the profit and loss account.

2 OPERATING LOSS

	2009 £	2008 £
Operating loss for the year is stated after charging		
Foreign Exchange	239,852	146,401
Fees payable to the Company's auditors for the audit of the Company's annual accounts	2,000	4,000

3 DIRECTORS' REMUNERATION

No Director received any remuneration for services provided to the Company during the current or prior year. The Company is managed by secondees from the shareholders under a Management Services Contract.

Notes to the financial statements for the year ended 31 December 2009 (continued)

4 STAFF NUMBERS

The average number of persons employed by the Company during the year, was as follows

2009 No	2008 No
<u>2</u>	<u>5</u>

The aggregate payroll costs of these persons (including termination costs) were as follows

	2009 £	2008 £
Salaries	266,287	351,727
Social security costs	33,982	44,289
	<u>300,269</u>	<u>396,016</u>

5 NET INTEREST PAYABLE

	2009 £	2008 £
Interest receivable and similar income		
Interest receivable on bank deposit	<u>28</u>	<u>33</u>
	28	33
Interest payable and similar charges		
Interest payable on amounts due to group undertakings	<u>(52,208)</u>	<u>(69,560)</u>
	(52,208)	(69,560)
Net interest payable	<u>(52,180)</u>	<u>(69,527)</u>

6 TAX ON LOSS ON ORDINARY ACTIVITIES

	2009 £	2008 £
<u>Analysis of credit for the year</u>		
Current tax		
Group relief receivable	78,346	440,044
Adjustment in respect of previous periods	<u>29,777</u>	<u>54,266</u>
Total current tax credit	<u>108,123</u>	<u>494,310</u>
Total current tax credit on loss on ordinary activities	<u>108,123</u>	<u>494,310</u>
Deferred tax		
Origination and reversal of timing differences	186	97
Total deferred tax credit	<u>186</u>	<u>97</u>
Total tax credit on loss on ordinary activities	<u>108,309</u>	<u>494,407</u>

Factors affecting the tax credit for the current year

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

	2009 £	2008 £
Loss on ordinary activities before tax	<u>(448,142)</u>	<u>(1,544,015)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 28.5%)	125,480	440,044
Effects of Losses not recognised for deferred tax purposes	(46,846)	-
Depreciation in excess of capital allowances	(288)	-
Prior year adjustment	<u>29,777</u>	<u>54,266</u>
Total current tax credit for the year	<u>108,123</u>	<u>494,310</u>

As at 31 December 2009, there is an unrecognised deferred tax asset in respect of excess losses of £nil (2008 - £nil)

For the year ended 31 December 2008, the blended UK rate of 28.5% is applied due to the change in UK corporation tax rate from 30% to 28% with effect from 1 April 2008

Notes to the financial statements for the year ended 31 December 2009 (continued)

7 TANGIBLE FIXED ASSETS

	Office £	Total £
Cost		
At 1 January 2009	1,736	1,736
Disposals	(1,736)	(1,736)
At 31 December 2009	-	-
Accumulated depreciation		
At 1 January 2009	347	347
Disposals	(347)	(347)
At 31 December 2009	-	-
Net book value at 31 December 2009	-	-
Net book value at 31 December 2008	1,389	1,389

8 DEBTORS

	2009 £	2008 £
<u>Due within one year:</u>		
Amounts owed by group undertakings	108,123	464,461
Other debtors	-	6,093
Other taxation and social security	264	41,111
Prepayments and accrued income	-	26,087
	<u>108,387</u>	<u>537,752</u>
<u>Due after more than one year:</u>	£	£
Deferred Tax		
Balance as at 1 January	97	-
Increase in recognised deferred tax	186	97
Balance as at 31 December	<u>283</u>	<u>97</u>

9 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Amounts owed to group undertakings	2,078,583	2,094,371
Other creditors	-	41,080
Accruals and deferred income	36,056	132,239
	<u>2,114,639</u>	<u>2,267,670</u>

The amount owed to group undertakings in the current and prior year is repayable on demand. Interest is charged on the loan at 1% above bank base rate.

10 CALLED UP SHARE CAPITAL

	2009 £	2008 £
Allotted, called up and fully paid		
2 Ordinary Shares at £1 each	<u>2</u>	<u>2</u>

11 MOVEMENT IN RESERVES

	Profit and loss account £
At 1 January 2009	(1,597,224)
Loss for the financial year	(339,833)
At 31 December 2009	<u>(1,937,057)</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

	2009 £	2008 £
Loss for the financial year	(339,833)	(1,049,608)
Increase in shareholder's deficit	<u>(339,833)</u>	<u>(1,049,608)</u>
Opening shareholder's deficit	(1,597,222)	(547,614)
Closing shareholder's deficit	<u>(1,937,055)</u>	<u>(1,597,222)</u>

Notes to the financial statements for the year ended 31 December 2009 (continued)

13 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 14 gives details of how to obtain a copy of the published financial statements of John Laing plc.

14 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 (UK) Limited, a company incorporated in Great Britain and registered in England and Wales. Copies of the consolidated accounts are available from Companies House, Crown Way, Cardiff CF4 3UZ.

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