John laing

making infrastructure happen






JOHN LAING GROUP PLC

2015 Annual Report & Accounts

CONTENTS

Infrastructure can be defined as the physical assets and systems that support a country or community.

Infrastructure assets typically support services such as transportation, utilities and communications and also cater to social needs such as housing, health and education.

PPP projects typically have the following features:

- A consortium enters into a long-term concession contract with a public sector body to design, build, finance and operate/maintain an infrastructure asset in accordance with agreed service standards.
- The infrastructure asset usually reverts back to the public sector body at the end of the concession.

Renewable energy projects typically involve electricity generation assets which produce green energy and benefit from long-term governmental support mechanisms alongside income for the amount of power produced.

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John Laing Group plc (John Laing or the Company or the Group) is an international originator and active investor and manager of greenfield infrastructure projects.

The Group aims to create value for shareholders through originating, investing in and managing infrastructure assets internationally.

We are focused on major transport, energy, social and environmental infrastructure projects in regions of the world where we have expertise and where there is a legal and commercial environment supportive of long-term investment. We hold a portfolio of investments in projects awarded under government backed Public-Private Partnership (PPP) programmes and renewable energy projects and have developed capabilities in other closely linked infrastructure sectors which have similar operational and financial characteristics.

We typically invest in infrastructure projects at the greenfield, pre-construction stage. We apply our management, engineering and technical expertise and invest equity and subordinated debt into special purpose companies which have rights to the underlying infrastructure asset. These special purpose companies are typically also financed with ring-fenced medium to long-term senior debt.

We are a leading name in our core international markets and chosen sectors.

- Since making our first infrastructure investment in 1969, we have committed to invest in 117 projects.
- As at 31 December 2015, we held a portfolio of 39 investments in infrastructure projects in 11 countries with a book value of £825 million, plus a shareholding in JLEN (a listed environmental asset investment fund) valued at £16 million, making an overall investment portfolio of £841 million.

We aim to deliver predictable returns and to actively manage and reduce risk across our Primary and Secondary Investment portfolios.

KEY PERFORMANCE INDICATORS (KPIs) AND HIGHLIGHTS

KPIs

£ million (unless otherwise stated)	2015	2014
IFRS pro forma financial information[1]		
Net asset value (NAV)	**889.6**	771.1[2]
NAV per share	**242p**	210p[3]
Profit before tax[4]	**106.6**	120.4
Earnings per share (EPS)[5]	**27.6p**	40.2p
Total dividend per share	**6.9p**	N/A
IFRS statutory financial information		
Net asset value (NAV)	**889.6**	–
Profit before tax	**103.2**	–
Portfolio valuation	**841.4**	772.0
Cash yield from investments	**38.9**	24.3
New investment committed	**180.5**	217.2[6]
External Assets under Management (AuM)[7]	**1,135.6**	1,019.9

HIGHLIGHTS

- Successful listing on the London Stock Exchange in February 2015, raising net proceeds of £121.3 million
- 15.4% increase in Net Asset Value (NAV), from £771.1 million[2] at 31 December 2014 to £889.6 million
- NAV per share at 31 December 2015 of 242p (2014 – 210p pro forma[3])
- New investment commitments of £180.5 million versus an annual average of £135 million over the previous four years
- Realisations of £86.3 million from the sale of investments
- Profit before tax (pro forma) of £106.6 million compared to £120.4 million in 2014[4]
- 11% increase in external Assets under Management (AuM) to £1,136 million[7]
- Cash yield from investment portfolio of £38.9 million (2014 – £24.3 million)
- Continuing international growth with investment commitments in seven different countries: Australia, France, Germany, Ireland, Sweden, the UK and the US
- Final dividend of 5.3p per share in line with policy (including a special dividend of 2.1p per share)

1 Pro forma financial information prepared on the basis described on page 26 in the Financial Review section.

2 NAV reported at 31 December 2014 of £649.8 million increased by net IPO proceeds of £121.3 million (comprising gross proceeds of £130.5 million less costs of £9.2 million, of which £5.8 million has been offset against share premium and £3.4 million expensed in the Group Income Statement).

3 Based on adjusted NAV (see note 2 above) and number of shares in issue of 366.92 million.

4 Profit before tax from continuing operations of £100.9 million (2014 – £120.4 million) and from discontinued operations of £5.7 million (2014 – £nil).

5 Basic EPS from continuing operations (see note 4 to the Group financial statements).

6 Includes £62.7 million commitment in 2014 to the East West Link project, Melbourne, subsequently cancelled.

7 External AuM based on published portfolio values of JLIF and JLEN at 30 September 2015.

OUR BUSINESS MODEL

Our business, which integrates origination, investment and asset management capabilities, is organised across three key areas of activity:

- **Primary Investment:** we source, originate, bid for and win greenfield infrastructure projects, typically as part of a consortium in the case of PPP projects. Our Primary Investment portfolio comprises interests in infrastructure projects which have recently reached financial close, and/or are in the construction phase.
- **Secondary Investment:** we own a substantial portfolio of investments in operational infrastructure projects, almost all of which were previously part of our Primary Investment portfolio.
- **Asset Management:** we actively manage our own Primary and Secondary Investment portfolios and provide investment advice and asset management services to the external funds John Laing Infrastructure Fund (JLIF) and John Laing Environmental Assets Group (JLEN) through our FCA-regulated subsidiary, John Laing Capital Management Limited (JLCM), as well as in respect of a small number of PPP assets held by John Laing Pension Fund (JLPF).

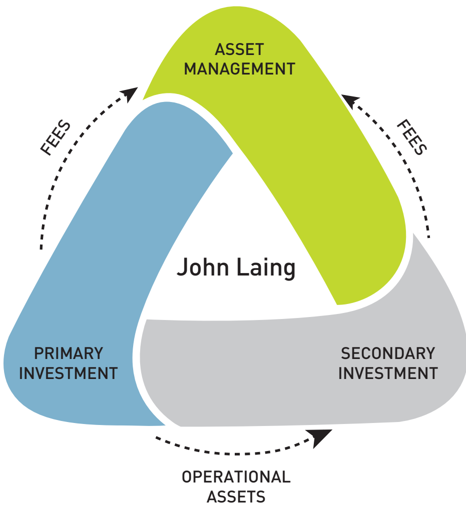
We create value by originating and investing in new greenfield infrastructure investments...

which, post-construction, aim to produce long-term predictable cash flows that meet our rate of return targets.

Once operational, these investments move from our Primary Investment portfolio to our Secondary Investment portfolio where they can be sold to secondary market investors targeting a lower rate of return consistent with the reduction in risk. Realisations release capital to recycle into primary investment opportunities.

Investments that are retained in the portfolio after construction generate a cash yield and offer potential for value enhancement from changes that improve project cashflow.

Our asset management activities focus on management and reduction of project risks, especially during the construction phase, and enhancement of project cash flows.



The John Laing business model is based on our investment and asset management capabilities and the current strong demand in secondary markets for operational infrastructure assets.

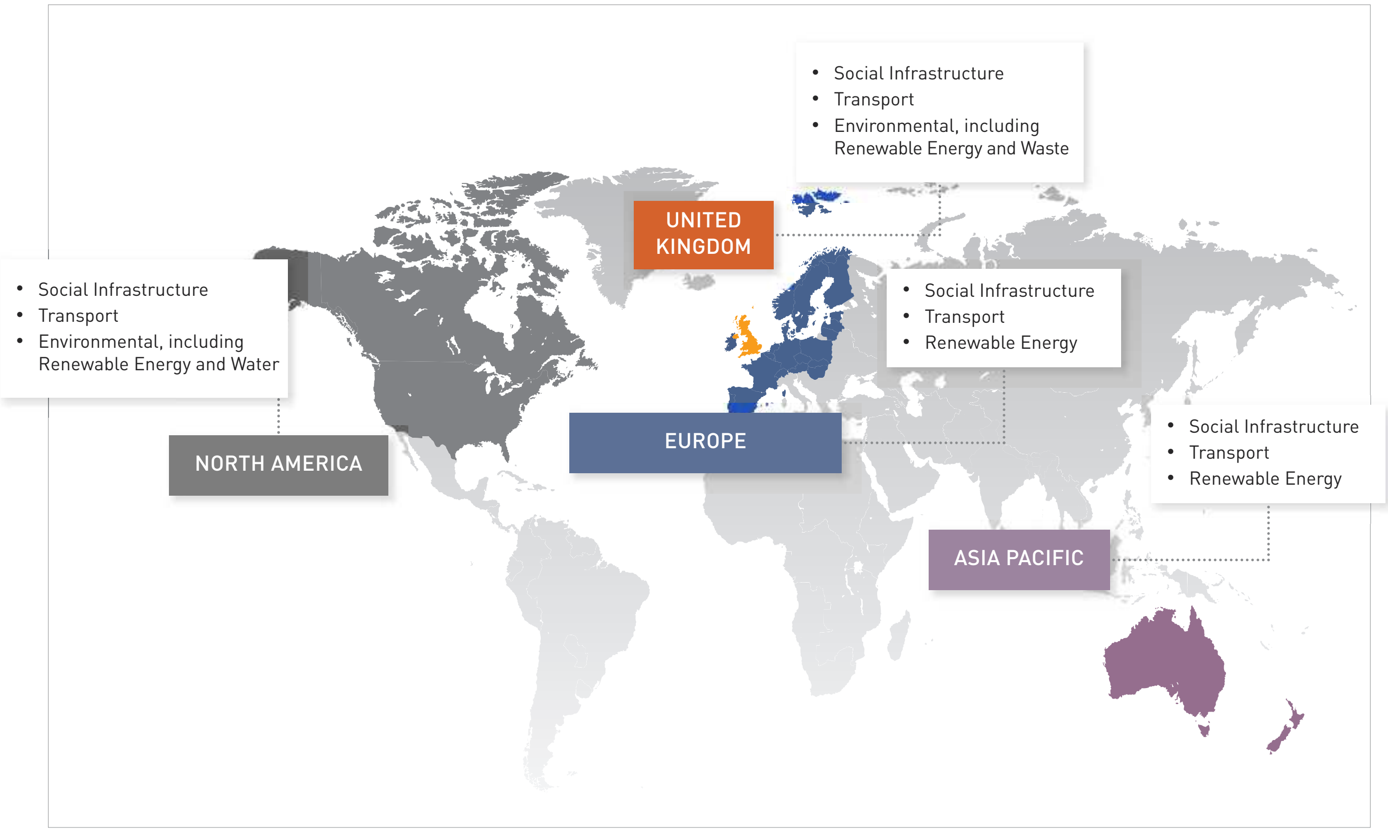
OUR SECTORS

Our activities are focused on the following infrastructure sectors:

Transport	Environmental	Social
Rail (including rolling stock), roads, street lighting, and highways maintenance	Renewable energy (including wind power, solar power and biomass), water treatment and waste management	Healthcare, education, justice, public sector accommodation and social housing

OUR INTERNATIONAL REACH

John Laing has a well-established presence in each of its chosen overseas markets: Asia Pacific, North America and Europe, including the UK.



OUR PORTFOLIO (As at 31 December 2015)

We aim to deliver predictable investment returns and consistent growth in the value of our Primary and Secondary Investment portfolios, as well as the secondary investments we manage on behalf of third party investors.

		PRIMARY INVESTMENT	SECONDARY INVESTMENT
SOCIAL INFRASTRUCTURE	Health	New Royal Adelaide Hospital 17.26%	Alder Hey Children's Hospital 40%
	Justice and Emergency Services		British Transport Police 54.17%; Auckland South Corrections Facility 30%
	Defence		DARA Red Dragon 100%
	Regeneration	Lambeth Housing 50%	Oldham Housing 95%
	Other Accommodation	Hastings Property Development 50%; New Perth Stadium 50%	
TRANSPORT	Roads	A15 Netherlands 28%; I-4 Ultimate 50%; I-77 Managed Lanes 10%	A1 Germany 42.5%; A1 Gdansk Poland 29.69%; Severn River Crossing 35%; M6 Hungary 30%; A55 100%; A130 100%
	Rail	IEP (Phase 1) 24%; IEP (Phase 2) 30%; Denver Eagle P3 45%; New Generation Rollingstock 40%; Sydney Light Rail 32.5%	Coleshill Parkway 100%; Aylesbury Vale Parkway 50%; City Greenwich Lewisham (DLR) 5%
	Street Lighting	Croydon & Lewisham SL 50%	
ENVIRONMENTAL	Waste		Manchester Waste VL Co 50%; Manchester Waste TPS Co 37.43%
	Renewable Energy	Speyside Biomass 51%; New Albion Wind Farm 100%; Rammeldalsberget Wind Farm 100%; Glencarbry Wind Farm 100%; Hornsdale Wind Farm 30%; Cramlington Biomass 44.7%; Pasilly Wind Farm 100%	Svartvallsberget Wind Farm 100%; Dungavel Wind Farm 100%; Klettwitz Wind Farm 100%

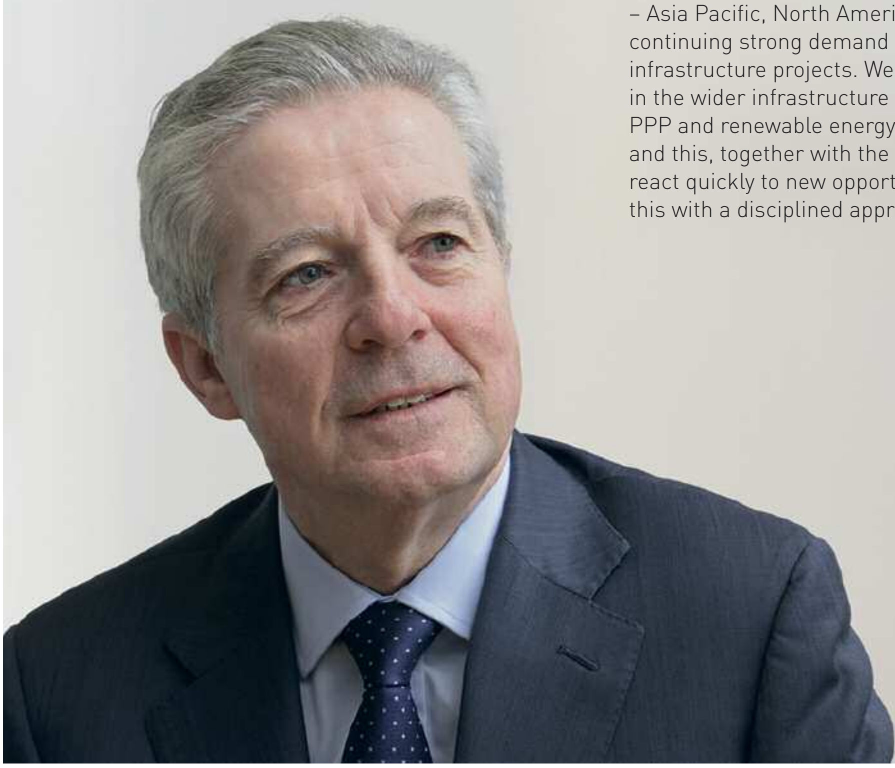
Investment commitment pre 2015
Investment commitment in 2015

CHAIRMAN'S STATEMENT

"Looking forward, we have confidence in the robustness of our business model and the deliverability of our strategy."

Phil Nolan
CHAIRMAN

2015 was a very significant year for John Laing. In February, we returned to the London stock market through a successful IPO in which we raised £121 million (net of costs) in primary proceeds for John Laing Group plc (the Company).



Our shares are now held by a wide range of shareholders, principally institutional, all of whom we welcome to John Laing. As well as bringing new funds and new shareholders, the IPO has increased our visibility with key partners and stakeholders.

At the business level, I am pleased to report a strong performance in 2015. Our priorities were our investment commitments; enhancing our investment portfolio; and maintaining a strong pipeline of future opportunities in each of our core markets:

- Net Asset Value (NAV) grew by 15.4% to £889.6 million or 242p per share at 31 December 2015, from £771.1 million (adjusted pro forma) or 210p per share (adjusted pro forma) at 31 December 2014;
- Investment commitments reached £180.5 million, well ahead of our annual average of £135 million over the previous four years;
- Realisations of investments were £86.3 million, short of our guidance for 2015 of approximately £100 million because we decided to seek better terms on a particular PPP transaction (subsequently agreed in February 2016);
- Our total external Assets under Management grew to £1,136 million, an increase of 11%; and
- We are proposing a final dividend for 2015 of 5.3p per share made up of a base dividend of 3.2p per share and a special dividend of 2.1p per share.

Our business is now well established as both a renewable energy and a PPP investor and, in addition, is becoming increasingly international. We operate in three selected geographical markets – Asia Pacific, North America and Europe – and in each we see continuing strong demand for new privately-financed infrastructure projects. We are also looking at opportunities in the wider infrastructure market in sectors closely linked to PPP and renewable energy. The model we operate is flexible and this, together with the skillset of our teams, enables us to react quickly to new opportunities as they arise. We combine this with a disciplined approach to risk analysis.

In our IPO in February 2015, new shareholders subscribed for 37.4% of the Company's shares. Following a lock-up which expired at the end of September 2015, the balance of the shares (62.6%) was distributed directly by Henderson Equity Partners (Henderson) to more than 20 underlying fund investors. On 1 October 2015, in conjunction with this distribution, Priscilla Davies and Guy Pigache stood down as non-executive directors. In addition, the agreement put in place to govern the relationship post IPO between Henderson and the Company came to an end. I want to take this opportunity to thank Priscilla and Guy for their very strong contribution to John Laing over a number of years.

No other Board changes have taken place since the IPO and the Board complied with all applicable provisions of the UK Corporate Governance Code (the Code) in the year under review. Our new non-executive Directors have rapidly come to grips with the challenges and opportunities of our business and I believe we have a good mix of experience and background at Board level and within the senior management team. As well as regular Board meetings, we held a two-day review in October 2015 to address the future strategy and direction of the business. This reconfirmed our commitment to creating shareholder value by continued focus on our core investment activities.

During the year, I met and spoke to many members of staff and I would like to thank all of them for their contribution. It is to their credit that, following the IPO, it was quickly back to business as usual and this is reflected in the strong results for the year.

In our IPO prospectus, the Board set out its policy to pay a base dividend of £20 million. For 2015, this is reduced pro-rata for the period from the date of listing. Consistent with this, we are recommending a final base dividend for 2015 of 3.2p per share.

In the policy, the Board also said that it intended to distribute special dividends of approximately 5% – 10% of gross proceeds from the sale of investments on an annual basis, subject to specific investment requirements in any one year. Accordingly, I am pleased to say the Board is also recommending a special dividend for 2015 of 2.1p per share. This is equivalent to applying the mid-point of the 5% – 10% range to our realisations guidance for 2015 of approximately £100 million.

→ **Pro forma NAV**
£889.6 million

→ **Pro forma profit before tax**
£106.6 million

→ **Portfolio valuation**
£841.4 million

→ **New investment committed**
£180.5 million

The total final dividend therefore amounts to 5.3p per share, which, together with the interim dividend of 1.6p paid in October 2015, makes a total dividend for 2015 of 6.9p per share. The final dividend will be put to shareholders for their approval at the Company's Annual General Meeting (AGM) which will be held on 12 May 2016.

Looking forward, we have confidence in the robustness of our business model and the deliverability of our strategy. With our growing pipeline of opportunities, and our established position in each of our chosen geographical markets, we are well positioned for future growth.

Phil Nolan
CHAIRMAN

CHIEF EXECUTIVE OFFICER'S REVIEW

"We operate in a market for new infrastructure primarily driven by population growth, urbanisation and climate change which means that infrastructure needs are generally substantial and urgent."

Olivier Brousse
CHIEF EXECUTIVE OFFICER

I am delighted to present our 2015 results. Since our IPO in February 2015, the Group has performed well and we have delivered on our IPO commitments.

The highlights of this successful year include:

- 15.4% increase in NAV, from £771.1 million (adjusted pro forma) at 31 December 2014 to £889.6 million;
- NAV per share at 31 December 2015 of 242p (2014 – 210p adjusted pro forma);
- New investment commitments of £180.5 million in seven different countries;
- Realisations of £86.3 million from the sale of assets;
- Profit before tax of £106.6 million compared to £120.4 million (pro forma) in 2014;
- 11% increase in external Assets under Management (AuM) to £1,136 million; and
- Cash yield from investment portfolio of £38.9 million (2014 – £24.3 million).

Outlook for our markets
We operate in a market for new infrastructure primarily driven by population growth, urbanisation and climate change which means that infrastructure needs are generally substantial and urgent. However, our market is also affected by external factors such as government policies, interest rates, exchange rates and, for our renewable energy assets, energy prices. Any of these factors can present challenges, but John Laing is well positioned to mitigate the consequences while capturing opportunities and creating shareholder value. Our 2015 results demonstrate this.

We currently operate in three principal geographical regions: Asia Pacific (Australia and New Zealand); North America (Canada and the US); and Europe (including the UK).

PPP: The mid-term prospects for PPP investments are strong and our pipeline continues to grow:

- Asia Pacific: the PPP market continues to be very active in Australia and New Zealand, with an ongoing commitment to infrastructure investment. We have a strong and established team which knows the market really well and is pursuing a number of exciting opportunities;
- Europe: the market is more subdued in the near term, even if we see that some countries such as Germany, the Netherlands, Norway and Ireland have increasing ambitions for their infrastructure. We anticipate that other European countries will follow, in order to catch up with the growing demands for new capacity and to renew ageing existing infrastructure; and
- North America: in Canada our local team is focused on a clear and significant flow of projects, especially in terms of transport systems. In the US, the actual number of PPP projects is still relatively small, but the prospects are significant: an increasing number of individual states have passed PPP legislation and there is a visible need to replace or upgrade existing bridges, roads and other transport assets. Since 2014 we have built a strong team based in New York to pursue numerous PPP bids as well as other emerging opportunities, for example in the water sector.

Renewable Energy: Since making our first investment in 2011, we are now a seasoned investor in the renewable energy market. Our pipeline has been growing steadily and the recent COP 21 summit reinforced our confidence in future growth in this sector. Our objective is to establish a balanced portfolio of assets with diversified exposure to power markets, technologies, geographical locations and governmental support mechanisms.

In 2015, we confirmed our ability to secure investments at good rates of return in both Europe and Australia. In 2016, this trend should continue and we will likely invest in our first renewable energy projects in countries where we are already PPP investors, such as the US.

We are seeing the markets for onshore wind and solar farms becoming increasingly competitive, even for greenfield projects. As a result, we are assessing related opportunities such as the repowering of older wind farms, together with off-shore wind. We are also investigating further biomass and waste-to-energy projects. We are careful always to take into account the latest industry forecasts for energy price and to maintain an appropriate balance of availability and volume-based investments in our portfolio.

Beyond the PPP and renewable energy markets, we see potential opportunities to bring our expertise to asset classes that are opening up to project finance, such as smart meters in the UK or LNG and other energy assets. We will continue to investigate new sectors with the same risk analysis and investment discipline that have helped to deliver our success in the past. We will also continue to look at expanding into new countries, with a cautious approach and with "tested and proven" technologies.

Asset management
John Laing is an active manager of its investments during the construction and operational phases. In 2015, we have again proven the strength of our teams, with no material issues reported for our projects under construction. Also, the asset management team has successfully identified value enhancements through optimising costs, de-risking and refinancing. We see ourselves as an active investor. Our partners and banks around the world appreciate our skills in that respect. We continue to make good use of these skills to take our investments through construction whilst protecting the investment base cases and always seeking to extract additional value.

Organisation
We are adapting our organisation to stay ahead of evolving market demands, whilst carefully managing our cost base. We support our international expansion by recruiting and training new talent and by redeploying existing resources to the areas of fastest growth. Overall our teams have started 2016 with a lot of exciting projects and a high degree of focus and discipline.

CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED)

Business model
Our business model has three key areas of activity:

- *Primary Investment:* we source, originate, bid for and win greenfield infrastructure projects, typically as part of a consortium in the case of PPP projects. Our Primary Investment portfolio comprises interests in infrastructure projects which have recently reached financial close, and/or are in the construction phase.
- *Secondary Investment:* we own a substantial portfolio of investments in operational infrastructure projects, almost all of which were previously part of our Primary Investment portfolio.
- *Asset Management:* we actively manage our own Primary and Secondary Investment portfolios and provide investment advice and asset management services to the external funds John Laing Infrastructure Fund (JLIF) and John Laing Environmental Assets Group (JLEN) through our FCA-regulated subsidiary, John Laing Capital Management Limited (JLCM), as well as in respect of a small number of PPP assets held by John Laing Pension Fund (JLPF).

Our business model is based on our investment and asset management capabilities and the current strong demand for operational infrastructure assets.

We aim to invest in new greenfield infrastructure projects which, post-construction, produce long-term predictable cash flows that meet our rate of return targets. The projects we invest in are held within special purpose vehicles (SPVs) which we (often in conjunction with other investors) fund with equity, and which are structured so that providers of third party debt finance have no contractual recourse to equity investors beyond their equity commitment.

When investments become part of our Primary Investment portfolio, their value should grow progressively with a relatively high degree of probability as the underlying assets move through the construction phase and their risk reduces. Once the underlying projects reach the operational stage, our investments move from our Primary to our Secondary Investment portfolio where they can be sold to secondary market investors, who are targeting a lower rate of return consistent with the reduction in risk.

Our asset management activities focus on management and reduction of project risks, especially during the construction phase, and enhancement of project cash flows. The latter involves identifying and implementing value enhancement initiatives that can increase future cash flows to investors compared to those originally forecast at financial close. Opportunities for such value enhancements may arise at any time during a project's life and may vary significantly from one investment to another.

Objectives and outcomes
Our overall strategy is to create value for shareholders by originating, investing in and managing infrastructure assets internationally. In that respect, we see NAV growth and dividends as key measures of our success. In 2015, our NAV grew by 15.4% from £771.1 million (adjusted pro forma) at 31 December 2014 to £889.6 million at 31 December 2015. Our dividends are proposed to amount to 6.9p per share in total for 2015.

To deliver our strategy, we have set ourselves the core objectives below, while maintaining the discipline and analysis required to mitigate against the delivery, revenue and operational risks associated with infrastructure projects:

- growth in primary investment volumes (new capital committed to greenfield infrastructure projects) over the medium term;
- growth in the value of external Assets under Management (AuM) and related fee income; and
- management and enhancement of our investment portfolio, accompanied by realisations of investments which, combined with our corporate banking facilities and operational cash flows, enable us to finance new investment commitments.

Growth in primary investment volumes over the medium term
We operate in a wide market for new infrastructure with a strong pipeline of future opportunities, including opportunities in sectors linked to the PPP and renewable energy sectors.

Throughout the year, we maintained a disciplined approach to making new investments. Using sophisticated financial analysis and investment appraisal processes, we assess the specific risk profiles for each prospective investment with the aim of optimising risk-adjusted returns and securing new investments that are likely to meet the investment appetites of secondary market investors when the underlying assets become operational.

Our resources are concentrated on countries or geographical regions carefully selected against four key criteria:

- a commitment to the development of privately-financed infrastructure;
- a stable political and legal framework;
- the ability to form relationships with strong supply chain partners; and
- the likelihood of target financial returns, on a risk-adjusted basis, being realised.

Our total commitment to new investments in 2015 was £180.5 million, made up of £112.5 million in renewable energy and £68.0 million in PPP assets, well ahead of our annual average over the previous four years of £135 million. Our international growth continued with investment commitments in seven different countries, including the following projects:

→ Sydney Light Rail (Australia) – £41.4 million

→ Klettwitz Wind Farm (Germany) – £33.8 million

→ Cramlington Biomass (UK) – £27.0 million

→ I-77 Managed Lanes (US) – £16.0 million

→ Hornsdale Wind Farm (Australia) – £12.1 million

Growth in the value of external AuM and related fee income
Our strategy to grow the value of our external AuM is linked to our activities as an investment adviser to JLIF and JLEN. Both funds have a right of first offer over certain investments should they be offered for sale by the Group. The Group not only advises and provides management services to the portfolios of JLIF and JLEN, but also sources new investments on their behalf. In July 2015, JLEN's first equity issue since its IPO in March 2014 was oversubscribed.

We made good progress during the year, with the value of external AuM growing from £1,020 million to £1,136 million, an increase of 11%. Fee income from external AuM was £12.0 million for 2015, up from £10.3 million in 2014.

Investment portfolio and realisations
At 31 December 2015, our portfolio of infrastructure investments comprised 39 projects, excluding our shareholding in JLEN (31 December 2014 – 40 projects). Our year end portfolio value, including the shareholding in JLEN, was £841.4 million (31 December 2014 – £772.0 million). The increase was primarily due to growth in the retained portfolio, offset by investment realisations.

The portfolio valuation represents our assessment of the fair value of investments in projects on the basis that each asset is held to maturity, other than shares in JLEN which are held at market value. The 2015 year end valuation reflected underlying growth of 18.6% after adjusting for acquisitions, realisations, cash invested and cash yield. This growth is explained further in the Portfolio Valuation section.

At the year end, 72.7% of the portfolio valuation was attributable to investments where the underlying projects were availability-based. Looking forward, our intention is to maintain a majority of availability-based investments by value in our portfolio.

The cash yield in 2015 was £38.9 million (2014 – £24.3 million), a yield of 9.8% (2014 – 6.6%) on the average Secondary Investment portfolio, above our guidance of a 6.5% to 8.5% yield. Cash yield represents cash receipts in the form of dividends, interest and shareholder loan repayments from project companies and listed investments, with the higher yield in 2015 attributable to a larger than forecast distribution from the Manchester Waste VL Co investment, received in July 2015 after the asset became operational.

During the year, we completed realisations of £86.3 million, short of our full year target of approximately £100 million. We realised investments in seven projects, of which four were sales of renewable energy projects to JLEN. We also sold two investments to purchasers other than JLIF or JLEN. Taking our realisations as a whole, we achieved prices above the most recent portfolio valuation, consistent with an active secondary market. At the end of 2015 we decided to postpone a particular PPP transaction to 2016, in order to seek better terms. Accordingly, in late February 2016, we completed the disposal of our shareholding in one PPP project, British Transport Police, and agreed the conditional disposal of another, Oldham Housing, to JLIF for combined net proceeds of £19.5 million. Despite the uncertain macro-economic background referred to earlier, we expect the secondary market for operational infrastructure to remain active, and we have a number of realisations planned for 2016.

Profit total before tax
Our total profit before tax was £106.6 million in 2015, compared to £120.4 million in 2014. Profit before tax is primarily driven by the fair value movement in our investment portfolio, which in 2015 was lower mainly due to lower value enhancements. We have previously highlighted that value enhancements do not arise evenly from one year to another.

Corporate banking facility
At the time of the IPO, we entered into a five-year £350 million committed corporate banking facility and associated ancillary facilities which expire in March 2020. These revolving facilities enable us to issue letters of credit (LCs) and/or put up cash collateral to back investment commitments. We finance new investments through a combination of cash flow from existing assets, the corporate banking facilities and realisations of investments in operational projects. Our self-funding model continues to apply.

Staff
Our staff numbers grew slightly in 2015 from 242 at the end of 2014 to 252 at 31 December 2015. We now have 22% of staff located outside the UK (2014 – 18%), another sign of our growing internationalisation.

I travel regularly to meet our partners and our staff around the world. We are fortunate to have experienced and dedicated teams throughout our business. Once again, I would like to thank all our staff for their contribution both to our 2015 results and to the Company's successful IPO. The success of our business depends on them.

Current trading and guidance
During 2015, our investments in six projects (the two Manchester Waste projects, Auckland South Corrections Facility, Alder Hey Children's Hospital, Oldham Housing and Dungavel Wind Farm) completed construction and moved from the Primary to the Secondary Investment portfolio. A number of other large projects are well advanced in the construction stage; this is positive for future growth in our investment portfolio which underpins our NAV.

Our total investment pipeline at 31 December 2015 was £1,494 million and includes £1,135 million of PPP opportunities looking out three years or so as well as renewable energy opportunities of £359 million. We will continue to be selective and invest only in those projects that have the right characteristics and, as mentioned above, we aim to maintain an appropriate balance between availability and volume-based investments.

While we have not announced any new investment commitments in 2016 to date, the year has started well. Our guidance for 2016 investment commitments is a total in line with the £180.5 million achieved in 2015. We are working on a number of specific PPP opportunities in the US, Australia and Continental Europe and also expect to convert some of our opportunities in renewable energy shortly. As previously advised, we are also assessing opportunities in the wider infrastructure market in sectors closely linked to the PPP and renewable energy sectors.

As well as constantly pursuing value enhancement opportunities in our portfolio, we are working on realisations of investments with guidance of approximately £100 million for 2016. This excludes the realisation proceeds of £19.5 million agreed in late February 2016.

Against this background, and given our business model and our track record, we are confident of our future prospects.

Olivier Brousse
CHIEF EXECUTIVE OFFICER

Project:
Intercity Express Programme

- **Location:**
  United Kingdom
- **Partners:**
  Hitachi Rail Europe
- **Description:**
  The IEP is an innovative scheme covering the finance, design, manufacture, delivery into daily service and maintenance of a fleet of 122 state-of-the-art Hitachi Super Express trains over a guaranteed minimum usage period of 26 years for the Great Western Main Line (Phase 1) and the East Coast Main Line (Phase 2) in the UK.

  The project is one of the largest PPPs globally, raising a total £4.7 billion of funding. John Laing has a 24% interest in Phase 1 and a 30% interest in Phase 2.

Project:
New Perth Stadium

- **Location:**
  Australia
- **Partners:**
  Brookfield Multiplex and Brookfield Global Integrated Services
- **Description:**
  The New Perth Stadium will be a major sporting and entertainment venue with an initial 60,000 seat capacity. It will be primarily used for Australian-rules football but can readily accommodate a wide variety of other sporting and entertainment events. Construction is scheduled to be completed in time for the start of the 2018 Australian-rules football season.

Project:
New Royal Adelaide Hospital

- **Location:**
  Australia
- **Partners:**
  HYLC joint venture and Spotless
- **Description:**
  The New Royal Adelaide Hospital, with a projected capital expenditure of A$1.85 billion, is the single largest infrastructure project in South Australia to date. The new hospital, containing 700 single bedrooms and 100 same-day beds, will have the capacity to admit over 80,000 patients per year. Construction is due to be completed in 2016.

PRIMARY INVESTMENT

Our Primary Investment activities are focused on greenfield infrastructure projects.

These are principally those awarded under PPP programmes as well as renewable energy generation assets and also include similar long-term projects which have a strong private-sector (rather than governmental) counterparty. Asset management services in respect of the Primary Investment portfolio during the construction period are provided by John Laing's Asset Management division. When underlying projects reach the end of construction, the investments transfer into our Secondary Investment portfolio.

The Primary Investment portfolio comprises the Group's shareholdings in 13 PPP projects, as well as in seven renewable energy projects, which have recently reached financial close and/or are in the construction phase. The Group's Primary Investment portfolio was valued at £405.9 million at 31 December 2015 (31 December 2014 – £414.3 million).

NEW INVESTMENT COMMITMENTS

During 2015, the Primary Investment team successfully secured eight new investments, and made additional commitments to two existing investments, resulting in total commitments of £180.5 million:

- *Asia Pacific* – the Sydney Light Rail project in New South Wales reached financial close in February 2015 and we closed the Hornsdale Wind Farm project in South Australia in August 2015, the Group's first renewable energy investment in the region.
- *North America* – having re-established an office in New York in 2014, we continued to strengthen our team and increased our activities in the market. During the year, we secured a stake in the I-77 road project in North Carolina, our first investment in the growing managed lanes sector in the US.
- *Europe* –
  - We committed to four on-shore wind farm investments, one in each of Sweden, Ireland, Germany and France;
  - We also secured and closed the Group's second investment in a stand-alone biomass project at Cramlington in Northern England. This plant will supply power to two adjacent businesses and export surplus power to the grid; and
  - We reached financial close on a comprehensive refinancing for the Intercity Express Programme (IEP) (Phase 1) (rolling stock for the UK's Great Western Rail line), resulting in a small further investment commitment, and we acquired the remaining 50% shareholding in the A55 road project in the UK.

Our investment commitments for 2015 are summarised in the table below:

Investment commitments	Region	PPP £ million	RE £ million	Total £ million
Sydney Light Rail	Asia Pacific	41.4	–	41.4
Rammeldalsberget Wind Farm	Europe	–	14.7	14.7
Glencarbry Wind Farm	Europe	–	17.1	17.1
Hornsdale Wind Farm	Asia Pacific	–	12.1	12.1
Cramlington Biomass	Europe	–	27.0	27.0
Klettwitz Wind Farm	Europe	–	33.8	33.8
Pasilly Wind Farm	Europe	–	7.8	7.8
I-77 Managed Lanes	North America	16.0	–	16.0
A55 and IEP refinancing	Europe	10.6	–	10.6
Totals		**68.0**	**112.5**	**180.5**

PRIMARY INVESTMENT (CONTINUED)

ACTIVITIES

The Primary Investment team is responsible for all the Group's bid development activities. The team takes responsibility for developing and managing a pipeline of opportunities, including market research, project selection, bid co-ordination and negotiations with public sector authorities, vendors and lenders. In each of our target markets of Asia Pacific, North America and Europe, we work with strong delivery partners. For instance, in the Asia Pacific region, the Group is currently working with leading international and domestic contractors and service providers, including Acciona, Alstom, Bombardier, Bouygues, Brookfield Multiplex, Cintra, Fulton Hogan, Laing O'Rourke, Leighton/CIMIC, Lend Lease, Serco and Spotless. This approach is replicated in each region.

We target a wide range of infrastructure sectors:

- Transport – rail (including rolling stock), roads, street lighting and highways maintenance;
- Environmental – renewable energy (including wind power, solar power and biomass), water treatment and waste management;
- Social infrastructure – healthcare, education, justice, public sector accommodation and social housing.

We are also assessing opportunities in new infrastructure sectors such as the upcoming smart meter programme in the UK, where we believe our business model could be successfully applied.

PROJECT FINANCE

Pricing of project finance facilities continued to improve during 2015, and we were able to secure financing for projects where required. Institutional sources of long-term project finance were available in Europe, although commercial bank debt was typically more competitively priced. In Australia and New Zealand, medium-term bank debt and refinancing requirements are well established, with a large number of international banks being active in these markets. In Canada and the US, projects tend to be financed in the debt capital markets rather than with bank financing. Overall, financial markets in the regions in which the Group is active have supported our growing levels of investment and we expect this to continue in 2016.

PIPELINE

At 31 December 2015, our overall investment pipeline of £1,494 million was higher than the pipeline of £1,331 million at 31 December 2014. The pipeline comprises opportunities to invest equity in PPP projects with the potential to reach financial close over the next three years or so, while the renewable energy pipeline relates to the next two years.

Our overall pipeline is constantly evolving as new opportunities are added and other opportunities drop out. We budget a win rate of 30% (for PPP bids in particular) and our 2016 guidance for new investment commitments is in line with the figure of £180.5 million achieved in 2015.

An analysis of our total pipeline broken down below by bidding stage is as follows:

Pipeline at 31 December 2015 by bidding stage	Number of projects	PPP £ million	RE £ million	Total £ million
Shortlisted/exclusive	16	168	117	285
Other active bids	4	98	–	98
Other pipeline	54	869	242	1,111
Totals	**74**	**1,135**	**359**	**1,494**

The shortlisted PPP projects included a light rail project in Australia, a bridge project in North America and four availability-based road projects, spread across the Netherlands, New Zealand and the US.

In terms of geography, our pipeline is well spread across our target markets:

Pipeline at 31 December 2015 by target market	PPP £ million	RE £ million	Total £ million
Asia Pacific	355	51	406
North America	419	46	465
UK	110	20	130
Other Europe	251	242	493
Totals	**1.135**	**359**	**1,494**

Project:
Sydney Light Rail

- Location:
  Australia
- Partners:
  Transdev Sydney, Alstom Transport Australia, Acciona Infrastructure Australia, First State Super and Acciona Concesiones
- Description:
  Sydney's new Central Business District and South East Light Rail project. The project will form an integrated part of Sydney's transport network and pedestrianise one of the busiest streets in Sydney providing a commuter route into the Central Business District and convenient access to the south east of the city. Services are expected to start from early 2019.

Some 27% of our pipeline relates to the Asia Pacific region which continues to offer substantial opportunities. In this region, the Group's current bidding activities are focused on Australia and New Zealand, where the Group has built up a strong base. Building on our investment in the Hornsdale Wind Farm, we see the potential for further renewable energy opportunities in Australia.

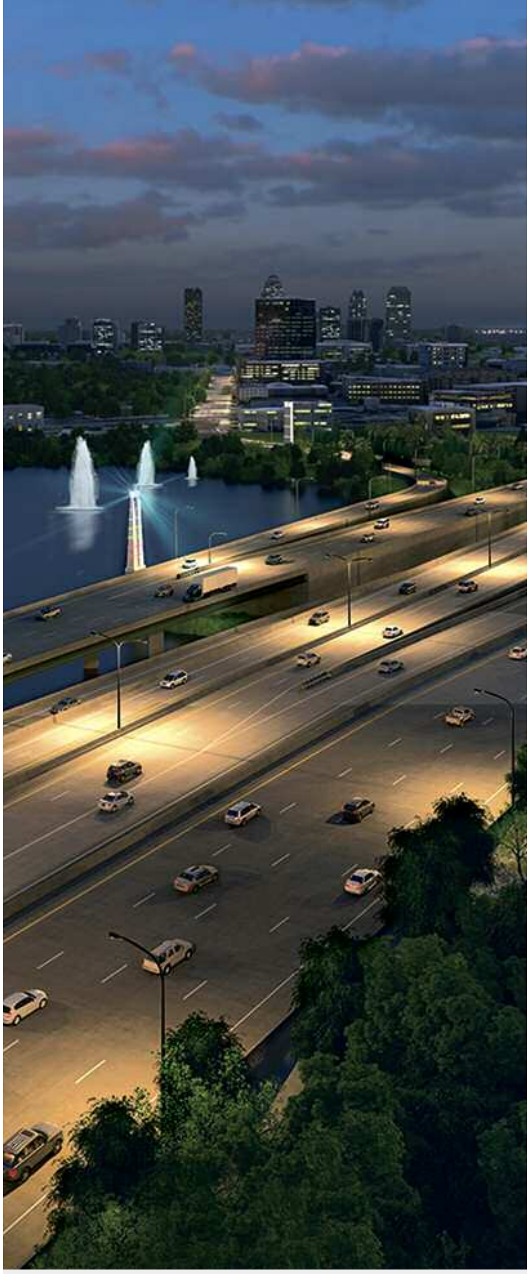
In North America (US and Canada), which makes up 31% of the pipeline, our focus is on what has the potential to become a very substantial PPP market. Following our first investment in the managed lanes sector in the US, we are also assessing opportunities in renewable energy and the growing water sector. The Canadian market continues to demonstrate strong PPP deal flow, which we are actively pursuing.

The balance of our pipeline is in Europe, where PPP activity remains at a satisfactory level in countries such as the Netherlands and Belgium. However, in 2016 we expect to increase our activities in markets such as Germany, Norway and the Czech Republic. There is also a significant PPP programme in Turkey, which we are currently evaluating. The UK market in 2016 includes potential opportunities in rail rolling stock, and a small pipeline of transportation and social infrastructure projects.

Selected countries in Europe will also provide our main focus for renewable energy opportunities in 2016. Our pipeline includes many potential wind and solar projects as well as investment opportunities in biomass plants. Our renewable energy pipeline was £359 million at 31 December 2015, higher than the £264 million at 31 December 2014. In the main, we target investments where a substantial proportion of revenue is supported by governmental incentive mechanisms which leads to reduced exposure to energy price fluctuations. During the year, we closed our first wind farm investments in Germany, Ireland and France. These are markets with strong pipelines supported by feed-in-tariffs, and they will continue to be a key focus during 2016.

In addition to the above, the Group continues to monitor potential new geographic markets. Markets which offer potential in the medium to long term include South America, for instance Chile, and other Asia Pacific markets such as Singapore.

Derek Potts
GROUP MANAGING DIRECTOR, PRIMARY INVESTMENT



Project:
Greater Manchester Waste

- Location:
  United Kingdom
- Partners:
  Viridor Waste Management, INOVYN ChlorVinyls
- Description:
  Manchester Waste VL Co, in which John Laing has a 50% interest alongside Viridor, is responsible for a network of waste recycling facilities in Manchester. These include five waste treatment sites which produce solid recoverable fuel suitable for burning at the combined heat and power facility managed by Manchester Waste TPS Co, in which John Laing has a 37.4% interest in joint venture with Viridor and INOVYN ChlorVinyls. Manchester Waste VL Co and Manchester Waste TPS Co became operational in 2015.

Project:
I-4 Ultimate

- Location:
  Orlando, Florida, USA
- Partners:
  Skanska Infrastructure Development
- Description:
  This availability-based road project has a total capex of US$2.3 billion and involves reconstructing 15 major interchanges, building more than 140 bridges, adding four variable toll Express Lanes and completely rebuilding 21 miles of general use lanes of the existing I-4 Interstate in central Florida. Construction began in 2015 and is expected to be completed in 2021.

Project:
Denver Eagle P3

- Location:
  Denver, Colorado, USA
- Partners:
  Aberdeen Infrastructure Investments, Fluor
- Description:
  The project is to design, build, finance, maintain and operate two new commuter rail lines and a portion of a third in the Denver Metropolitan area. The first line connecting Denver International Airport and downtown Denver is due to open in 2016 with final completion of the project expected in 2017.

SECONDARY INVESTMENT

At 31 December 2015, the Secondary Investment portfolio comprised 16 PPP projects and three renewable energy projects with a book value of £419.4 million (31 December 2014 – £292.1 million).

The Secondary Investment portfolio also included a 7.0% shareholding in JLEN valued at £16.1 million at 31 December 2015 (31 December 2014 – 39.7% shareholding valued at £65.6 million). In February 2015, a majority of the JLEN shareholding held at 31 December 2014 was transferred to JLPF as part of the IPO process.

Asset management services in respect of the Secondary Investment portfolio are provided by John Laing's Asset Management division.

The majority of our secondary investments were originated as primary investments of the Group. In late 2015, we also acquired the remaining 50% shareholding in the A55 road project in the UK, taking our shareholding in this secondary investment to 100%.

INVESTMENT REALISATIONS

During the year, we achieved total proceeds of £86.3 million from the realisation of investments:

- In the first half, our investments in two renewable energy projects, Wear Point Wind Farm (100%) and Carscreugh Wind Farm (100%), and part of our investment in Branden Solar Parks (64%) were sold to JLEN for £42.5 million;
- In a separate transaction with JLEN, we sold our investment in Burton Wold Wind Farm (100%) for £21.8 million;
- Our investment in North Birmingham Mental Health Hospital (100%), a PPP project, was sold to JLIF for £11.6 million; and
- Our investments in NH3 Road India (36%) and Cleveland Firearms (27.08%) were sold to third parties and the remaining shareholding in Branden Solar Parks was sold to JLEN. Taken together, the proceeds for these three disposals were £10.4 million.

Taking realisations for the year as a whole, prices were above the most recent portfolio valuation.

Realisations	Shareholding	Purchaser	Total £ million
Branden Solar Parks	64%		
Wear Point Wind Farm	100%	JLEN	42.5
Carscreugh Wind Farm	100%		
North Birmingham MHH	100%	JLIF	11.6
Burton Wold Wind Farm	100%	JLEN	21.8
Branden Solar Parks	36%	JLEN	
Cleveland Firearms	27.08%	Third party	10.4
NH3 Road India	36%	Co-shareholders	
Total			**86.3**

The secondary market for operational projects continues to be strong. In February 2016, we completed the disposal of our shareholding in one PPP project, British Transport Police, and agreed the conditional disposal of another, Oldham Housing, to JLIF for combined net proceeds of £19.5 million. Our guidance for realisations in 2016 is proceeds of approximately £100 million, excluding the £19.5 million transaction agreed in February 2016.

TRANSFERS FROM THE PRIMARY INVESTMENT PORTFOLIO

During the year, six investments became part of the Secondary Investment portfolio as the underlying projects moved into the operational stage:

Auckland South Corrections Facility, New Zealand (30% interest)

Construction of the Auckland South Corrections Facility was completed five weeks early in January 2015. The early completion permitted a longer mobilisation and training period prior to operational commencement in May 2015 and build-up to the total complement of 960 prisoners was successfully completed in October 2015. The facility's operational approach places a significant focus on rehabilitation and employment, including the use of dedicated buildings to support vocational training and education.

Manchester Waste, UK

After construction delays and a prolonged commissioning phase, both projects – Manchester Waste VL Co (50% interest) and Manchester Waste TPS Co (37.43% interest) – became operational in the first quarter of 2015. All 42 sites comprising the Manchester Waste VL Co project are now operational. Solid recovered fuel produced at the VL Co processing sites is now being burned at forecast volumes in Manchester Waste TPS Co's principal asset, the thermal power station at Runcorn in Cheshire, which produces both heat and power.

Dungavel Wind Farm, UK (100% interest)

Located in South Lanarkshire and comprising 13 Vestas V80 2MW turbines, this 26 MW wind farm commenced commercial operations in October 2015 and is our eighth wind farm to become operational.

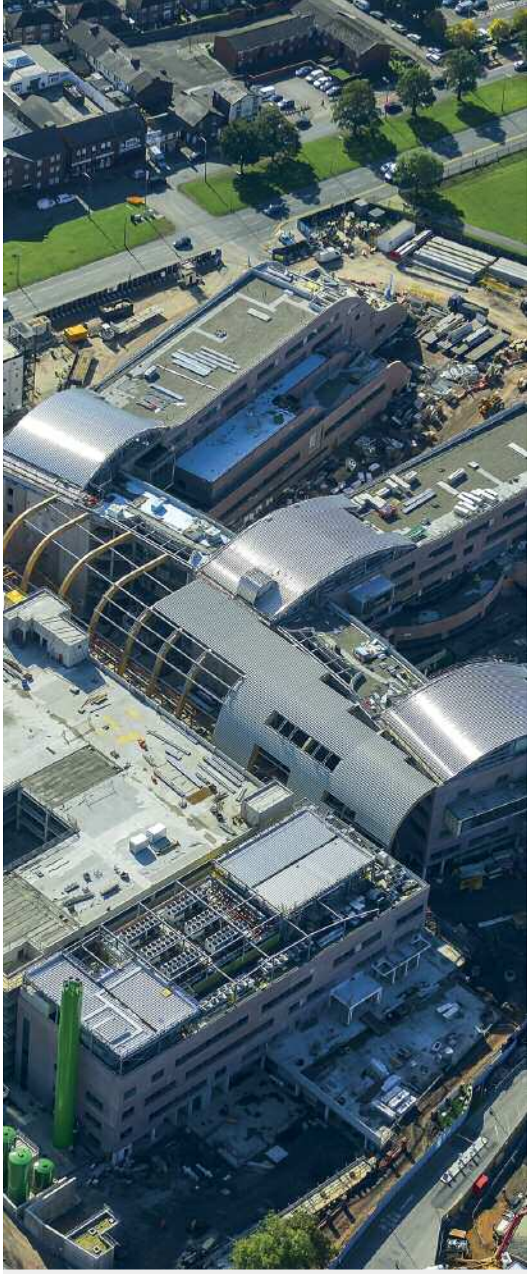
Alder Hey Children's Hospital, UK (40% interest)

Following issuance of the completion certificate at the end of September 2015, this 270 bed state-of-the-art children's hospital in the north west of England became fully operational in early October 2015.

Oldham Housing, UK (95% interest)

This project became fully operational in 2015 and has delivered 648 new or refurbished properties, two new community centres and three new public open spaces in the Oldham area.

Chris Waples
GROUP MANAGING DIRECTOR, ASSET MANAGEMENT



Project:
Klettwitz Wind Farm

- **Location:**
  Brandenburg Schipkau, Germany
- **Partners:**
  None
  (wholly owned by John Laing)
- **Description:**
  Total installed capacity is 89 MW from 27 wind turbines after repowering, replacing previous total installed capacity of 59 MW from 36 turbines at the legacy wind farm previously in operation at the site. The project benefits from a feed in tariff for up to 20 years.

Project:
Alder Hey Children's Hospital

- **Location:**
  Liverpool, United Kingdom
- **Partners:**
  Laing O'Rourke and Interserve
- **Description:**
  A 270 bed state-of-the-art acute children's hospital.

  The hospital became fully operational in October 2015.

Project:
A1 Motorway

- **Location:**
  Poland
- **Partners:**
  Skanska, Intertoll, NDI Autostrada
- **Description:**
  The project comprises two phases:

  Phase one – approximately 90 km of new road from Gdansk to Nowe Marzy in Northern Poland.

  Phase two – approximately 60 km of extension to the city of Torun at the southern end of the A1 motorway.

  Phase one became fully operational in 2008 and Phase two in 2011.

ASSET MANAGEMENT

The Asset Management division's activities comprise Investment Management Services and Project Management Services.

INVESTMENT MANAGEMENT SERVICES

Investment Management Services (IMS) are provided to both JLIF and JLEN and also to our own investment portfolio.

External IMS JLCM provides advisory services to JLIF and JLEN under investment advisory agreements. As at 30 September 2015, JLIF and JLEN had published portfolio values of £877 million and £218 million respectively. JLCM has an independent chairman and two separate dedicated fund management teams whose senior staff are authorised and regulated by the FCA. The teams focus their advice primarily on sourcing new investments for and arranging capital raisings by the two funds. They operate behind information barriers in view of the market sensitive nature of their activities and to ensure the separation of "buy-side" and "sell-side" teams when John Laing is selling investments to either fund. Both funds have a right of first offer over certain investments should they be offered for sale by the Group. Both JLIF and JLEN are stand-alone entities separate from the Group; each maintains an independent board of directors and is independently owned.

At 31 December 2015, the Group also managed three PPP investments valued at £41.4 million held by JLPF.

Fee income from external IMS grew from £10.3 million in 2014 to £12.0 million in 2015.

Internal IMS John Laing actively manages its own Primary and Secondary Investment portfolios. Our objective is to deliver the base case returns on our investments as a minimum and additionally to enhance those returns through active asset management. There are two main strategies, value protection and value enhancement:

Value protection – examples

- To target PPP projects which have revenue streams based on availability of the underlying infrastructure asset rather than revenues based on patronage or volume.
- To ensure construction risks associated with design, workmanship, cost overruns and delays lie with our construction supply chain partners who are best able to manage them.
- To ensure project operational performance and cost risks lie principally with our service supply chain partners.
- To eliminate the risk of increased interest costs over the life of an infrastructure project by swapping from variable interest rates to fixed interest rates on third party debt finance.
- To reduce the impact of short-term volatility on revenues in our renewable energy projects by entering into short or medium term power purchase agreements with electricity suppliers.

Value enhancement – examples

- To promote a culture of continuous improvement with clients: responding to their need for changes over the life of PPP infrastructure projects, reducing the public sector burden and, where possible, to generate incremental revenues therefrom.
- To optimise SPV management costs and project insurance premiums through bulk purchasing or efficiency gains, thereby increasing investor returns.
- To optimise major maintenance and asset renewal costs over the life of an infrastructure project and thereby increase investor returns.
- To maximise working capital efficiency within project companies.
- To ensure projects are efficiently financed over their concessions or useful lives.

PROJECT MANAGEMENT SERVICES

The Group also provides Project Management Services (PMS), largely of a financial or administrative nature, to project companies in which John Laing, JLIF or JLEN are investors. These services are provided under Management Services Agreements (MSAs): at 31 December 2015, there were 75 MSAs in total, comprising 29 MSAs with projects in which John Laing invests, 34 MSAs with projects in which JLIF invests, 10 MSAs with projects in which JLEN invests and two MSAs with projects invested in by another party. PMS revenue also includes non-contractual income earned from project companies and occasional development management fees from property-related investments.

Revenues from PMS in 2015 were £17.0 million (2014 – £14.6 million), delivered by some 155 staff across the UK, Continental Europe, Australia and North America. Revenues were higher than in 2014 because of higher development management fees and the full year effect of new MSAs signed in 2014.

ASSET MANAGEMENT (CONTINUED)

PROJECTS UNDER CONSTRUCTION

An update on significant Group projects under construction, which are managed by the Asset Management division and are part of the Primary Investment portfolio, is set out below.

Intercity Express Programme (IEP)

John Laing is in partnership with Hitachi to manage the contracts that cover the design, manufacture, finance and delivery into daily service and maintenance over 26 years of a fleet of 122 Super Express trains for the UK's Great Western Main Line (Phase 1 – 24% interest) and the East Coast Main Line (Phase 2 – 30% interest). With a total capital expenditure across the two phases of £3.4 billion, it is one of the largest PPP projects to be awarded. The first three trains arrived in the UK during 2015 and are currently undergoing testing on the UK rail network. Hitachi's new UK train assembly plant was opened by the Prime Minister in September 2015. Construction of the Phase 1 (Great Western) depots will be completed in early 2016 and development of the Phase 2 (East Coast) depots is progressing well. The first trains are scheduled to become operational during 2017.

As a result of delays to electrification of the Great Western Route being undertaken by Network Rail, the Department of Transport has asked the Phase 1 project company to order more bi-mode trains that can be powered by diesel as well as electricity. We are not expecting any negative impact on our investments from these delays.

A15 Road, Netherlands (28% interest)

This road became fully operational in December 2015 but remains in our Primary Investment portfolio awaiting contractual acceptance with completion sign-off expected later in 2016. The project includes the iconic Botlek bridge, a large lifting bridge which is raised as often as once per hour to allow vessels to pass underneath.

New Royal Adelaide Hospital (NRAH), Australia (17.3% interest)

This project is currently one of the largest building construction projects in Australia, with a capital cost of A$1.85 billion. Containing 700 single bedrooms and 100 same-day beds, NRAH will have the capacity to admit over 80,000 patients per year. The project is in its final stages of construction; technical completion is on schedule for the second quarter of 2016 and commercial acceptance for the third quarter of 2016.

Denver Eagle P3, US (45% interest)

This project is to design, build, finance, maintain and operate two new commuter rail lines and a portion of a third in the Denver Metropolitan area. The fleet of rolling stock continues to be delivered on schedule and is nearing completion. Testing of the integrated systems on the East Line is well advanced and the civil work on the remaining lines is progressing well. Operator training has been taking place on trains running at full speed on sections of the East Line to Denver International Airport. The first line is on target to open in the second quarter of 2016 with final completion expected in 2017.

I-4 Ultimate, US (50% interest)

This availability project has a total capex of US$2.3 billion and involves reconstructing 15 major interchanges, building more than 140 bridges, adding four variable toll Express Lanes, and completely rebuilding the general use lanes of 21 miles of the existing I-4 interstate in central Florida. Construction commenced in 2015 and is anticipated to finish in 2021.

Speyside Biomass (51% interest)

John Laing is a co-investor with the Green Investment Bank and Estover Energy in this £74 million capex Combined Heat and Power biomass renewable energy plant expected to generate both renewable electricity – enough to power more than 20,000 homes – and heat in the form of steam. The new plant will provide 90% of the steam needed by the adjacent Macallan whisky distillery. Works on site are now well advanced with final take-over of the plant expected in the third quarter of 2016.

New Perth Stadium, Australia (50% interest)

The New Perth Stadium will be a major sporting and entertainment venue, capable of attracting national and international events. The stadium will predominantly be used for Australian-rules football but can readily accommodate other sports, as well as entertainment events through the use of drop-in seats. Construction works are on track for completion in the fourth quarter of 2017, in advance of the 2018 Australian Football League season.

Rammeldalsberget Wind Farm, Sweden (100% interest)

Construction of this 15MW wind farm is virtually complete and final commissioning is scheduled for the first quarter of 2016.

Chris Waples
GROUP MANAGING DIRECTOR, ASSET MANAGEMENT

Project:
Auckland South Corrections Facility

- **Location:**
  New Zealand
- **Partners:**
  Fletcher Construction and Serco
- **Description:**
  The facility has dedicated buildings to support vocational training and education, and places a significant focus on rehabilitation and employment for prisoners after release.

  Construction was completed in January 2015 and build up to the total complement of 960 prisoners was successfully completed in October 2015.

Project:
A15 Road

- **Location:**
  Netherlands
- **Partners:**
  Strabag AG, Strukton, Ballast Nedam
- **Description:**
  This road project includes widening of a 36km section of the A15 between Maasvlakte and Vaanplein and constructing the new Botlek bridge, a large lifting bridge which is raised to allow vessels to pass underneath. The road became fully operational in 2015.

PORTFOLIO VALUATION

The portfolio valuation at 31 December 2015 was £841.4 million compared to £772.0 million at 31 December 2014. After adjusting for transfers, realisations, cash yield and cash invested, this represented a positive movement in fair value of £132.1 million (18.6%) during 2015.

	Investments in projects £ million	Listed investment £ million	Total £ million
Portfolio valuation at 1 January 2015	706.4	65.6	772.0
– Cash invested	142.5	–	142.5
– Cash yield	(38.0)	(0.9)	(38.9)
– Proceeds from realisations	(86.3)	–	(86.3)
– Transfer of investments to JLPF	(29.6)	(50.4)	(80.0)
Rebased valuation	**695.0**	**14.3**	**709.3**
– Movement in fair value	130.3	1.8	132.1
Portfolio valuation at 31 December 2015	**825.3**	**16.1**	**841.4**

Cash investment in respect of new projects entered into during 2015 totalled £71.1 million. In addition £71.4 million was invested into existing projects, including the acquisition of an additional 50% shareholding in the A55 project, as they progressed through, or completed, construction.

During 2015, the Group transferred substantial shareholdings in two investments to JLPF (£80.0 million), as part of the special contribution under the IPO process, and completed the realisation of seven investments for total consideration of £86.3 million. Cash yield during 2015 totalled £38.9 million.

The £132.1 million movement in fair value is analysed in the table below. The fair value movement includes a net benefit of £19.5 million from the amendment of benchmark discount rates in response to our understanding and experience of the secondary market. Our amendments comprised a 25 basis points reduction in benchmark rates in June 2015 for all but two investments, a further 50 basis points reduction for two investments and a 100 basis points increase for one investment.

	Year ended 31 December 2015 Total £ million	Year ended 31 December 2014 Total £ million
Unwinding of discount	**61.0**	53.0
Reduction of construction risk premia	**22.8**	16.3
Impact of foreign exchange rate movements	**(9.2)**	(7.8)
Change in operational benchmark discount rates	**19.5**	–
Value enhancements and other changes	**38.0**	97.1
Fair value movement	**132.1**	158.6

The net movement in fair value comprised unwinding of discount (£61.0 million), the reduction of construction risk premia (£22.8 million), the reduction in operational benchmark discount rates (£19.5 million) and net value enhancements, new investment commitments and other changes (£38.0 million), which were net of the adverse impact on the value of renewable energy projects from lower power price forecasts (£10.7 million). Foreign exchange rate movements were £9.2 million adverse and are addressed further in the Financial Review section.

The Primary Investment portfolio includes investments in both PPP and renewable energy assets in the construction phase. The Secondary Investment portfolio includes investments in both operational PPP and renewable energy assets. The listed investment in JLEN is included within the Secondary Investment portfolio.

The split between primary and secondary investments is shown in the table below:

	31 December 2015 £ million	**%**	31 December 2014 £ million	%
Primary Investment	**405.9**	**48.2**	414.3	53.7
Secondary Investment	**435.5**	**51.8**	357.7	46.3
Portfolio valuation	**841.4**	**100.0**	772.0	100.0

The reduction in the Primary Investment portfolio is due to transfers to the Secondary Investment portfolio of £189.1 million, offset by a movement in fair value of £83.5 million, including value enhancements and financial closes achieved during the year, and cash invested of £98.4 million.

	Primary Investment £ million
Portfolio valuation at 1 January 2015	414.3
– Cash invested	98.4
– Cash yield	(1.2)
– Transfers to Secondary Investment	(189.1)
Rebased valuation	**322.4**
– Movement in fair value	83.5
Portfolio valuation at 31 December 2015	**405.9**

The increase in the Secondary Investment portfolio is due to transfers from the Primary Investment portfolio of £189.1 million, cash invested of £44.1 million and a movement in fair value of £48.6 million offset by investment realisations during the year of £86.3 million, the transfer of investments to JLPF of £80.0 million and cash yield of £37.7 million.

	Secondary Investment £ million
Portfolio valuation at 1 January 2015	357.7
– Cash invested	44.1
– Cash yield	(37.7)
– Proceeds from realisations	(86.3)
– Transfer of investments to JLPF	(80.0)
– Transfers from Primary Investment	189.1
Rebased valuation	**386.9**
– Movement in fair value	48.6
Portfolio valuation at 31 December 2015	**435.5**

METHODOLOGY

A full valuation of the Group portfolio is prepared every six months, at 30 June and 31 December, with a review at 31 March and 30 September, principally using a discounted cash flow methodology. The valuation is carried out on a fair value basis assuming that forecast cash flows from investments are received until maturity of the underlying assets.

Under the Group's valuation methodology, a base case discount rate for an operational project is derived from secondary market information and other available data points. The base case discount rate is then adjusted to reflect additional project-specific risks. In addition, risk premia are added to reflect the additional risk during the construction phase. The construction risk premia reduce over time as the project progresses through its construction programme, reflecting the significant reduction in risk once the project reaches the operating stage.

The discounted cash flow valuation is based on future cash distributions from projects forecast as at 31 December 2015, derived from detailed financial models for each underlying project. These incorporate the Group's expectations of likely future cash flows, including value enhancements.

For the 31 December 2015 valuation, the overall weighted average discount rate was 9.5% compared to the weighted average discount rate at 31 December 2014 of 9.8%. The decrease was primarily due to the 25 basis point reduction in benchmark operational discount rates for all but two investments in June 2015, as well as the reduction of construction risk premia. The weighted average discount rate at 31 December 2015 was made up of 9.7% for the Primary Investment portfolio and 8.9% for the Secondary Investment portfolio. The shareholding in JLEN was valued at its closing market price on 31 December 2015 of 103.0p per share (31 December 2014 – 103.25p).

The overall weighted average discount rate of 9.5% reflects the fact that project cash flows for investments in the Primary Investment portfolio tend to have a longer duration than for investments in the Secondary Investment portfolio.

The weighted average discount rate of 8.9% for the Secondary Investment portfolio reflects (i) a few PPP projects with above average discount rates because of location or an element of volume/technology risk and (ii) the impact of renewable energy projects which tend to have higher discount rates than PPP projects.

The discount rate ranges used in the portfolio valuation at 31 December 2015 were as set out below:

Sector	Primary Investment %	Secondary Investment %
PPP projects	7.7 – 11.8	7.3 – 11.0
Renewable energy projects	8.8 – 12.3	8.0 – 9.6

The Directors have obtained an independent opinion from a third party, which has considerable expertise in valuing the type of investments held by the Group, that the Directors' portfolio valuation represented a fair market value in the market conditions prevailing at 31 December 2015.

MACRO-ECONOMIC ASSUMPTIONS

During 2015 lower than previously forecast inflation had a negative impact on the majority of forecast project cash flows within the portfolio. Deposit rates received on cash balances during 2015 were low but this was anticipated in forecasts made in prior valuations for the majority of projects. Deposit rates are anticipated to remain at low levels in the short-term. As mentioned above, weakening of certain foreign currencies against Sterling over the twelve months to 31 December 2015 resulted in adverse foreign exchange movements of £9.2 million, excluding the effect of foreign currency exchange hedges described more fully in the Financial Review section.

PORTFOLIO VALUATION (CONTINUED)

The table below summarises the main macro-economic assumptions used in the portfolio valuation.

Assumption			31 December 2015	31 December 2014
Long term inflation	UK	RPI & RPIX	**2.75%**	2.75%
	Europe	CPI	**2.00%**	2.00%
	US	CPI	**2.25%-2.50%**	2.25%-2.50%
	Australia	CPI	**2.00%-2.75%**	2.00%-2.75%
Foreign exchange rates	GBP/EUR		**1.3592**	1.2808
	GBP/AUD		**2.0340**	1.9005
	GBP/USD		**1.4833**	1.5567

DISCOUNT RATE SENSITIVITY

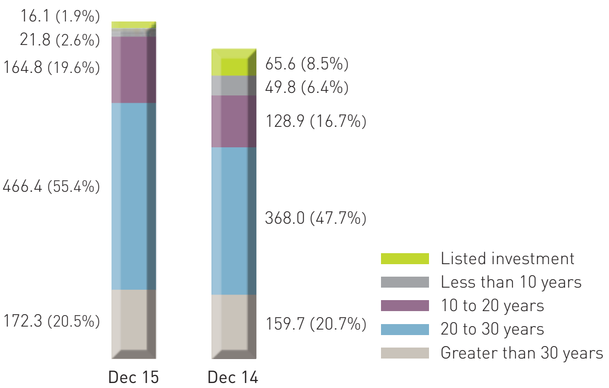
The weighted average discount rate used at 31 December 2015 was 9.5% (31 December 2014 – 9.8%). The table below shows the sensitivity of the portfolio valuation to each 1% change in this rate up to plus or minus 3.0%.

Discount rate sensitivity	Portfolio valuation £ million	Difference in valuation £ million
+3.0%	590.7	(250.7)
+2.0%	661.0	(180.4)
+1.0%	743.6	(97.8)
0.0%	841.4	–
-1.0%	958.1	116.7
-2.0%	1,098.6	257.2
-3.0%	1,269.2	427.8

Analysis of the portfolio valuation is shown in the following charts:

BY TIME REMAINING ON PROJECT CONCESSION/LIFE

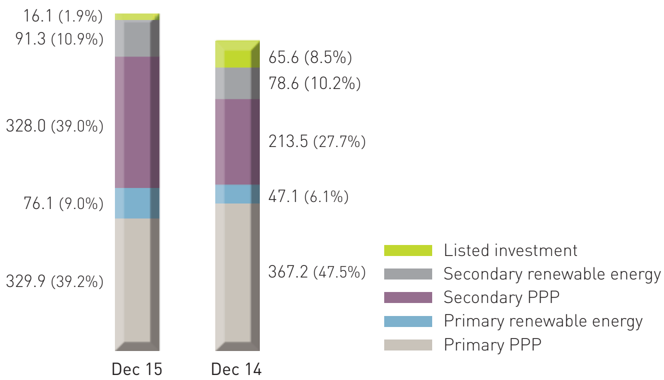
£ million



PPP projects are based on long-term concessions and renewable energy assets have long-term useful economic lives. As demonstrated in the chart above, 20.5% of the portfolio by value had a greater than 30-year unexpired concession term or useful economic life at 31 December 2015, whereas 55.4% had 20 to 30 years remaining and a further 19.6% had 10 to 20 years remaining. The investment in JLEN, which represented 1.9% (31 December 2014 – 8.5%) of the portfolio value, is shown separately.

SPLIT BETWEEN PPP AND RENEWABLE ENERGY

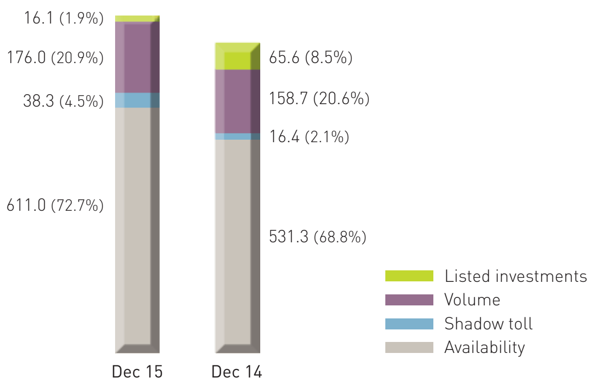
£ million



Primary PPP investments made up the largest part of the portfolio, representing 39.2% of the portfolio valuation at 31 December 2015, with Secondary PPP investments representing a further 39.0%.

BY REVENUE TYPE

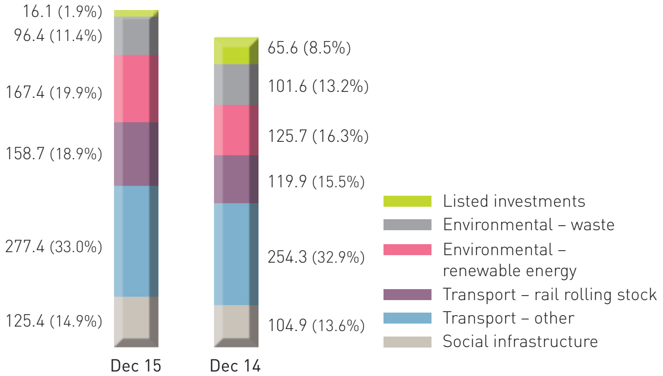
£ million



Availability-based investments continued to make up the majority of the portfolio, representing 72.7% of the portfolio valuation at 31 December 2015. Renewable energy investments comprised the majority of the volume-based investments. The investment in JLEN, which holds investments in PPP and renewable energy projects, is shown separately.

BY SECTOR

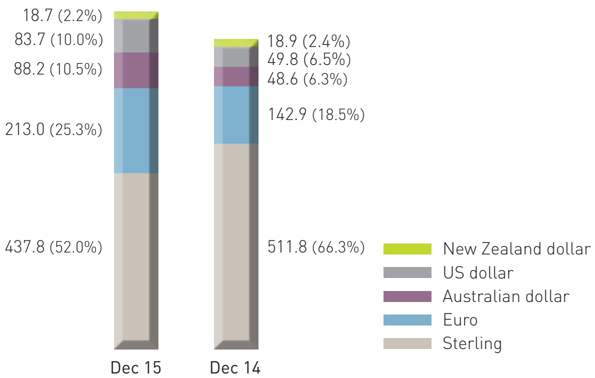
£ million



Investments in the transport sector (excluding rail rolling stock) continued to make up the largest proportion of the portfolio valuation, representing 33.0% of the portfolio at 31 December 2015, with rail rolling stock investments accounting for a further 18.9%. Renewable energy investments made up 19.9% of the portfolio by value, social infrastructure investments – 14.9%, and environmental investments – 11.4%. The portfolio underlying the JLEN shareholding consists of a mix of renewable energy and environmental projects.

BY CURRENCY

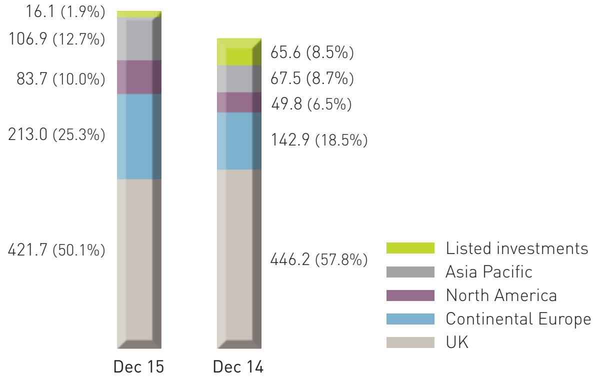
£ million



The percentage of investments denominated in foreign currencies increased from 33.7% to 48.0%. This is consistent with our pipeline and the overseas jurisdictions we target. This analysis excludes the effect of foreign currency hedges which the Group holds.

BY GEOGRAPHICAL REGION

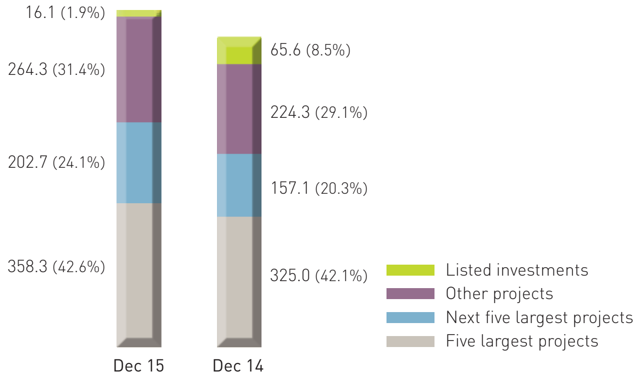
£ million



Investments in the UK continued to make up the majority of the portfolio valuation, representing 50.1% of the portfolio at 31 December 2015. Continental Europe remained the next largest category with 25.3%. Investments in projects located in the Asia Pacific region made up 12.7% and investments in North America 10.0%. The JLEN portfolio consists of investments in UK based projects.

BY INVESTMENT SIZE

£ million



The top five investments in the portfolio made up 42.6% of the portfolio at 31 December 2015. The next five largest investments made up a further 24.1%, with the remaining investments in the portfolio comprising 31.4%. The shareholding in JLEN made up 1.9% of the portfolio.

FINANCIAL REVIEW

BASIS OF PREPARATION

As the Company meets the definition of an investment entity set out within IFRS 10, the financial statements have been prepared accordingly. Investment entities are required to account for all investments in controlled entities, as well as investments in associates and joint ventures, at fair value through profit or loss (FVTPL), except for those directly-owned subsidiaries that provide investment related services or engage in permitted investment related activities with investees (Service Companies).

Pro forma financial information for the Group has been prepared alongside statutory financial information in the financial statements.

As at 31 December 2014, the Company did not form a group as it only held 22.46% of John Laing Holdco Limited. On 27 January 2015, prior to the Company's Admission in February 2015, a group restructuring occurred which included the Company becoming the sole shareholder of John Laing Holdco Limited. On 17 February 2015, the legal ownership of certain Service Companies was transferred from the John Laing Holdco Limited group to the Company.

The Company was unable to produce group accounts nor show financial information in respect of the newly formed group within its statutory results for the year ended 31 December 2014. Therefore, for the year ended 31 December 2014, in addition to the statutory financial information, pro forma financial information was prepared on the basis that the restructuring described above had occurred on 1 January 2013 and had been in place throughout the year ended 31 December 2014. In the opinion of the Directors, not to present this information would not have given a true and fair view of the state of the Company's affairs.

There is no difference between the pro forma and statutory balance sheets as at 31 December 2015. However, there is a difference between the pro forma and statutory income statement relating to the 27 day period between 1 January 2015 and 27 January 2015 when the Company only owned 22.46% of the John Laing Holdco Limited group (the Company acquired the remaining 77.54% of the John Laing Holdco Limited group on 27 January 2015). Both pro forma and statutory information has therefore been presented in the Group Income Statement for the year ended 31 December 2015. This is the last year for which pro forma financial information will be presented.

The statutory income statement includes an additional £3.4 million fair value loss within 'net gain on investments at fair value through profit or loss' that arises on the Company's acquisition of John Laing Holdco Limited on 27 January 2015, which is held as an investment at fair value in accordance with IFRS 10, from the difference between the acquisition price of £630.0 million and the net assets of the John Laing Holdco group at the date of acquisition of £626.6 million. The net assets of the John Laing Holdco Limited group at the date of acquisition were lower than the net assets at 31 December 2014 of £649.8 million (as per the pro forma balance sheet) primarily as a result of an increase in the deficit on the John Laing Holdco Limited group's pension schemes between 1 January 2015 and the date of acquisition.

The pro forma and statutory financial information has been prepared on the historical cost basis except for the revaluation of the investment portfolio and financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies.

Project companies in which the Group invests are described as "non-recourse" which means that providers of debt to such project companies do not have recourse beyond John Laing's equity commitments in the underlying projects. Subsidiaries through which the Company holds its investments in project companies, which are held at FVTPL, and subsidiaries that are Service Companies, which are consolidated, are described as "recourse".

SUMMARY OF RESULTS FOR THE YEAR

A summary of the results for the year on the pro forma basis is presented in the table below by operating segment.

	Primary Investment		Secondary Investment		Asset Management		Total	
	2015 £ million	2014 £ million	**2015 £ million**	2014 £ million	**2015 £ million**	2014 £ million	**2015 £ million**	2014 £ million
Adjusted profit before tax for operating segments	**50.7**	99.4	**43.0**	30.1	**15.5**	9.7	**109.2**	139.2
Post retirement charges							**(4.2)**	(10.0)
Other costs							**(4.1)**	(8.8)
Profit before tax (continuing operations)							**100.9**	120.4
Profit before tax (discontinued operations)							**5.7**	–
Profit before tax – pro forma							**106.6**	120.4
Adjustments for statutory basis:								
Fair value loss on acquisition of John Laing Holdco Limited							**(3.4)**	
Profit before tax – statutory							**103.2**	
Basic earnings per share from continuing operations							**27.6p**	40.2p
Portfolio valuation	**405.9**	414.3	**435.5**	357.7	**–**	–	**841.4**	772.0
Other net current liabilities							**(16.0)**	(16.4)
Group net cash[1]							**110.4**	80.0
Post-retirement obligations							**(46.2)**	(185.8)
Group net assets							**889.6**	649.8

1 Group net cash includes cash balances held to collateralise future investment commitments of £123.9 million (31 December 2014 – £60.5 million) and is presented net of short-term cash borrowings of £19.0 million (31 December 2014 – £nil).

The remainder of this financial review concerns the pro forma financial information unless stated otherwise.

Profit before tax for the year ended 31 December 2015 was £106.6 million (2014 – £120.4 million). The main reason for the lower profit before tax was a lower fair value movement in 2015 compared to 2014. This is principally because investment commitments and value enhancements do not necessarily arise evenly from one year to another.

- As in 2014, the main profit contributor in 2015 was the Primary Investment division. The Primary Investment division contribution in 2014 was particularly strong as a result of the financial close of IEP (Phase 2) in April of that year.
- The higher contribution in 2015 from the Secondary Investment division was primarily as a result of higher valuation growth in the year from the reduction in operational benchmark discount rates.
- The higher contribution in 2015 from the Asset Management division was principally due to higher fee income from both IMS, as a result of increased external AuM, and PMS primarily as a result of higher development management fee income.
- Post retirement charges are lower reflecting the reduction in the JLPF deficit under IAS 19.
- Other costs in 2015 include £3.4 million of the total IPO-related expenses of £9.2 million, which have been expensed through the Group Income Statement rather than offset against share premium account as they were not directly associated with the issue of shares.
- Profit before tax from discontinued operations for the year ended 31 December 2015 was £5.7 million compared to £nil for the year ended 31 December 2014 and was mainly attributable to the resolution of legacy claims.
- Basic earnings per share from continuing operations in 2015 were 27.6 pence compared to 40.2 pence in 2014 in line with lower profit before tax.

Profit before tax shown above is net of the following staff related costs:

Year ended 31 December	Primary Investment 2015 £ million	2014 £ million	Secondary Investment 2015 £ million	2014 £ million	Asset Management 2015 £ million	2014 £ million	Central 2015 £ million	2014 £ million	Total 2015 £ million	2014 £ million
Staff costs	**8.8**	8.6	**–**	–	**16.9**	16.5	**6.1**	8.1	**31.8**	33.2

No staff are allocated to the Secondary Investment division. Central staff costs in 2014 included some one-off costs.

Included within Asset Management staff costs are costs relating to:

Year ended 31 December	Investment Management Services 2015 £ million	2014 £ million	Project Management Services 2015 £ million	2014 £ million	Total Asset Management 2015 £ million	2014 £ million
Staff costs	**8.0**	6.6	**8.9**	9.9	**16.9**	16.5

Other key matters that affected the financial performance, financial position and cash flows of the Group in 2015 were:

- Total investment commitments of £180.5 million across ten projects (2014 – 11 projects with investment commitments of £217.2 million), including acquisitions;
- Cash investment of £142.5 million into existing portfolio projects during and at the end of their construction phase or on acquisitions of projects (2014 – £88.3 million);
- Full realisation of investments in seven projects (including one investment to JLIF and four investments to JLEN) for total proceeds of £86.3 million. In 2014, there were full realisations of investments in twelve projects (including four investments to JLIF and six investments to JLEN) and a partial realisation in one project, for total proceeds of £159.6 million;
- The combined deficit of the Group's defined benefit pension (under IAS 19) and post-retirement medical schemes at 31 December 2015 decreased to £46.2 million (31 December 2014 – £185.8 million), primarily due to a special contribution to JLPF of £100 million in cash and assets at the time of the IPO in February 2015 and a scheduled contribution of £27 million in cash in March 2015.

FINANCIAL REVIEW (CONTINUED)

GROUP INCOME STATEMENT

The financial information in the Group Income Statement includes:

- the consolidated results of the Company and the Company's recourse subsidiaries that perform service related activities (the Service Companies defined under basis of preparation above). In the statutory financial information, the results of the Service Companies, whose legal ownership was transferred to the Company from certain wholly owned subsidiaries on 17 February 2015, are consolidated from the date of the transfer. As per the above basis of preparation, in the pro forma financial information the results of the Service Companies are consolidated for the entirety of the years ended 31 December 2015 and 31 December 2014;
- the movement in the fair value of the Company's investment in its recourse investment entity subsidiaries through which it invests in both non-recourse project companies and listed investments, as adjusted for dividends received during the year. In the statutory financial information the fair-valued investment included the investment in the Service Companies until the transfer of their legal ownership to the Company on 17 February 2015.

The Group achieved a net recovery of £3.4 million on financial close on four projects in 2015 (£13.2 million on seven projects in 2014, including a high recovery on IEP (Phase 2), a project on which costs had been incurred over several years).

The Group's valuation of its investments in project companies is calculated by discounting their future cash flows as set out in the Portfolio Valuation section. The Group's investment in JLEN is held at its closing market value at the year end. After adjusting for the impact of investments, distributions and disposals, there was an uplift of £132.1 million (2014 – £158.6 million) in the fair value of investments. This uplift is included within 'net gain on investments at fair value through profit or loss' on the Group Income Statement. Note 12 to the financial statements shows a total fair value movement of £137.3 million on investments in project companies and listed investments which includes £5.2 million in respect of non-portfolio investments in small joint ventures.

During the year, an investment in one project was sold to JLIF and investments in four projects were sold to JLEN, with a further two investments sold to third parties, resulting in total proceeds of £86.3 million. Any gain arising on investment realisations is included in fair value movements on investments through the Group Income Statement.

Finance costs include the costs arising on the corporate banking facilities and interest on the pension fund deficit. These resulted in a net finance cost of £11.3 million in 2015 (2014 – £25.7 million) with the decrease being primarily due to the write off in 2014 of £4.3 million of unamortised upfront fees relating to the previous corporate banking facility that was replaced in February 2015, together with £5.7 million lower interest on the reduced pension fund deficit in 2015.

The Group's tax charge on continuing activities for 2015 was £0.1 million (2014 – £2.4 million credit). This comprised a tax charge of £2.1 million in recourse group subsidiary entities that are consolidated (shown on the 'Tax (charge)/credit' line of the Group Income Statement), primarily in relation to group relief payable to entities held at FVTPL, and a tax credit of £2.0 million in recourse group subsidiary entities that are held at FVTPL (included within 'net gain on investments at fair value through profit or loss' on the Group Income Statement). The annual contributions made to JLPF are tax deductible when paid and, as a result, there is minimal tax payable by the UK holding and asset management activities of the Group. Capital gains from the realisation of investments in projects are generally exempt from tax under the Substantial Shareholding Exemption for shares in trading companies. To the extent this exemption is not available, gains may be sheltered using current year losses or losses brought forward within the Group's holding companies. There are no tax losses in the Company but there are tax losses in recourse group subsidiary entities that are held at FVTPL.

GROUP BALANCE SHEET

At 31 December 2015, the statutory and pro forma balance sheets are the same and include on a line by line basis the assets and liabilities of the Company and of the Service Companies directly owned by the Company as well as the fair value of the Company's investment in its recourse investment entity subsidiaries through which it invests in non-recourse project companies and listed investments.

The pro forma balance sheet at 31 December 2014 was prepared on the basis that the restructuring associated with the Company's Admission to listing in February 2015 was in place at 31 December 2014 and therefore the Service Companies are included in the Pro Forma Group Balance Sheet on a line by line basis at 31 December 2014.

The statutory balance sheet at 31 December 2014 reflects the Company's 22.46% investment in John Laing Holdco Limited. This investment was valued at £nil at this date because John Laing Holdco Limited had net liabilities at 31 December 2014 arising from shareholder loans from Henderson Infrastructure Holdco (Jersey) Limited, which owned the remaining 77.54% of John Laing Holdco Limited.

The Directors' valuation of the Group's portfolio of investments in project companies and listed investments was £841.4 million at 31 December 2015 (31 December 2014 – £772.0 million). The valuation methodology is set out in the Portfolio Valuation section.

The portfolio valuation is reconciled to the Group Balance Sheet as follows:

	31 December 2015 £ million	31 December 2014 £ million
Portfolio valuation	**841.4**	772.0
Value of other investments not included in portfolio valuation	**0.5**	0.3
Other assets and liabilities within recourse group investment entity subsidiaries[1]	**123.4**	85.9
Investments held at FVTPL on the Group Balance Sheet	**965.3**	858.2

1 Include cash and cash equivalents of £128.3 million (31 December 2014 – £78.5 million), of which £123.9 million (31 December 2014 – £60.5 million) is held to collateralise future investment commitments, and trade and other receivables less trade and other payables.

Included in other assets and liabilities within recourse group investment entity subsidiaries at 31 December 2014 was a working capital advance of £7.8 million to a joint venture in anticipation of a potential UK PPP project. While this project may still go ahead, a decision was taken to provide in full against the recoverability of this advance as a result of prolonged delays in reaching the project's financial close.

The combined accounting deficit in the Group's defined benefit pension and post-retirement medical schemes at 31 December 2015 was £46.2 million (31 December 2014 – £185.8 million). The Group operates two defined benefit schemes in the UK – JLPF and the John Laing Pension Plan (the Plan). Both schemes are closed to new members and future accrual.

Within the combined accounting deficit of £46.2 million, the pension deficit in JLPF was £38.9 million, based on a discount rate of 3.75%. The amount of the deficit is dependent on key assumptions, principally: inflation; the discount rate used; and the life expectancy of members. The discount rate used, as prescribed by IAS 19, is based on the yields from high quality corporate bonds. The sensitivity of JLPF's pension liabilities to changes in key assumptions is illustrated in note 19 to the financial statements.

In December 2013, a schedule of contributions was agreed with the JLPF trustee over a period of ten years, comprising annual contributions of £26.1 million, increasing by 3.55% annually, payable each March, starting from March 2014. In line with this schedule, the Company made a cash contribution to JLPF in March 2015 of £27.0 million (2014 – £26.1 million). As part of the IPO process in February 2015 the Group also made a special contribution to JLPF satisfied by the transfer of assets, including cash, valued at £100 million and agreed a reduction in contributions payable in March 2016 and March 2017. The next triennial actuarial valuation of JLPF is due as at 31 March 2016. The valuation will reflect market movements since 31 December 2015.

FINANCIAL RESOURCES

At 31 December 2015, the Group had a committed corporate banking facility and associated ancillary facilities of £350.0 million expiring in March 2020 (31 December 2014 – £353.9 million). Of these facilities, £175.7 million was undrawn at 31 December 2015 (31 December 2014 – £109.0 million). Net available financial resources at 31 December 2015 were £180.1 million (31 December 2014 – £127.3 million).

Analysis of Group financial resources (recourse)

	31 December 2015 £ million	31 December 2014 £ million
Committed corporate banking facilities	**350.0**	353.9
Letters of credit issued	**(154.2)**	(243.8)
Other guarantees and commitments	**(1.1)**	(1.1)
Short term cash borrowings	**(19.0)**	–
Net facility utilisation	**(174.3)**	(244.9)
Facility headroom	**175.7**	109.0
Cash and bank deposits[1]	**5.5**	19.5
Less unavailable cash	**(1.1)**	(1.2)
Net available financial resources	**180.1**	127.3

1 Cash and bank deposits exclude cash collateral balances.

Cash and bank deposits are included in the pro forma financial information in the Group Balance Sheet within the following lines:

	31 December 2015 £ million	31 December 2014 £ million
Amounts in fair valued entities included within investments at fair value through profit or loss	**4.4**	17.3
Amounts in consolidated entities shown as cash and cash equivalents	**1.1**	2.1
Amounts in discontinued operations	**–**	0.1
Total cash and bank deposits	**5.5**	19.5

Letters of credit issued from the committed corporate banking facilities and cash collateral together represent future cash investment by the Group into primary projects.

	31 December 2015 £ million	31 December 2014 £ million
Letters of credit issued (see below)	**154.2**	243.8
Cash collateral (see below)	**123.9**	60.5
Future cash investment into projects	**278.1**	304.3

During 2015, the Group has increased its use of cash collateral in order to make efficient use of cash balances.

FINANCIAL REVIEW (CONTINUED)

The table below shows the letters of credit issued from the committed corporate banking facilities at 31 December 2015 analysed by investment and the date when cash is expected to be invested into the underlying project, at which point the letter of credit would reduce or expire:

Project	Letter of credit issued £ million	Expected date of cash investment
Speyside Biomass, UK	8.0	February 2016 to June 2016
IEP (Phase 1), UK	10.0	July 2016
A15, Netherlands	11.7	July 2016
Croydon & Lewisham SL, UK	4.3	October 2016
New Generation Rollingstock, Australia	20.4	December 2016 to October 2017
Cramlington Biomass, UK	27.0	December 2017
IEP (Phase 2), UK	72.8	October 2018
Total	**154.2**	

The table below shows cash collateral balances at 31 December 2015 analysed by investment and the date when the cash is expected to be invested into the underlying project:

Project	Cash collateral amount £ million	Expected date of cash investment
IEP (Phase 1), UK	58.7	July 2016
New Perth Stadium, Australia	8.7	January 2016 to December 2017
Sydney Light Rail, Australia	39.8	September 2016 to November 2016
I-77 Managed Lanes, US	16.7	November 2017 to November 2018
Total	**123.9**	

The cash collateral in relation to the I-77 Managed Lanes project backs a letter of credit issued under an uncommitted cash collateralised facility.

Cash collateral is included within 'investments at fair value through profit or loss' in the Group Balance Sheet.

At 31 December 2014, cash collateral balances of £60.5 million included £39.7 million relating to the East West Link project. Letters of credit issued at 31 December 2014 included a letter of credit for £21.0 million relating to the East West Link project. Both the letter of credit and the cash collateral were returned in June 2015 as part of the resolution of this project, which was cancelled.

The Group has tended not to be a cash borrower at the corporate level for significant periods of time and has not, therefore, generally sought to hedge its exposure to interest rate movements. However, there are significant non-recourse borrowings within the project companies in which the Group invests. The interest rate exposure on the debt of such project companies is, in almost all circumstances, fixed on financial close, through the issue of either a long-dated bond or fixed rate debt, or through the fixing of floating rate bank debt via interest rate swaps. Given this, the impact on the Group's returns from investments in project companies of changes in interest rates on project borrowings is minimal. There is an impact from changes in interest rates on the investment income from monies held on deposit both at Group level and within project companies but such an effect has not been, and is unlikely to be, significant in the context of the Group Income Statement.

The Group regularly reviews the sensitivity of its balance sheet to changes in exchange rates relative to Sterling and to the timing and amount of forecast foreign currency denominated cash flows. As set out in the Portfolio Valuation section, the Group's portfolio comprises investments denominated in Sterling, Euro, and Australian, US and New Zealand Dollars. As a result of foreign exchange movements in the year ended 31 December 2015, primarily in the Euro, there was a negative fair value movement of £9.2 million in the portfolio valuation between 31 December 2014 and 31 December 2015. This negative impact was partly offset by net gains, both realised and unrealised, included within net gain on investments at FVTPL in the Group Income Statement, of £1.6 million from foreign exchange hedges held by the Group at 31 December 2015 of part of its Euro-denominated investments (£97.4 million) and part of its New Zealand dollar-denominated investment (£8.9 million). Net gains of £2.7 million on other hedges held by the Group against cash collateral balances in foreign currencies offset foreign exchange translation losses of £4.5 million on those balances.

The Group may apply an appropriate hedge to a specific currency transaction exposure, which could include borrowing in that currency or entering into forward foreign exchange contracts. An analysis of the portfolio value by currency is set out in the Portfolio Valuation section.

Letters of credit in issue at 31 December 2015 of £154.2 million (31 December 2014 – £243.8 million) are analysed by currency as follows:

Letters of credit by currency	31 December 2015 £ million	31 December 2014 £ million
Sterling	**122.1**	162.0
Euro	**11.7**	12.5
US dollar	**–**	15.7
Australian dollar	**20.4**	53.6
	154.2	243.8

GOING CONCERN

The Group has a committed corporate banking facility until March 2020 and has sufficient resources available to meet its committed capital requirements, investments and operating costs for the foreseeable future. Accordingly, the Group has adopted the going concern basis in the preparation of its pro forma financial statements for the year ended 31 December 2015.

Patrick O'D Bourke
GROUP FINANCE DIRECTOR

VIABILITY STATEMENT

In accordance with the revised UK Corporate Governance Code (the Code), the Directors have assessed the viability of the Group over a three year period to 31 December 2018, taking into account the Group's current position and the principal risks set out on pages 32 to 36. The assessment carried out supports the Directors' statements both on viability, as set out below, and also in respect of going concern, as set out in the Financial Review section.

The Directors selected a period of three years for their assessment because this is the longest timescale over which the Group usually has visibility over the future investment opportunities which make up its pipeline. It is also the key period of focus in the Group's budget and planning process which is updated each year and looks forward up to four years.

The particular factors and/or assumptions the Directors considered in making their assessment were as follows:

- The Group makes primarily long-term investments which are not publicly traded. The minimum holding period for an investment is likely to extend beyond the construction time for the underlying asset (which for a PPP asset may be as long as 5-6 years), and some assets may be held to maturity;
- New investments in greenfield projects are funded through a combination of cash flow from existing assets, the Group's corporate banking facilities and realisations of investments in operational projects. Realisations are dependent on there being continuing demand in a currently active secondary market;
- Availability of debt finance continues at Group level through the corporate banking facilities and at project level through non-recourse project finance facilities specific to each project;
- The Group is exposed to potential increases in pension cash contributions as well as volatility in the JLPF pension deficit reported as part of NAV, principally because of movements in the main risks (discount rate, inflation rate and life expectancy) which impact the value of pension liabilities. The next triennial actuarial valuation of JLPF is due as at 31 March 2016; and
- The value of the Group's investment portfolio is dependent on a number of key risks including: discount rates derived from the secondary market; macro-economic factors such as exchange rates, taxation rates, inflation and deposit rates; the construction stage and operational performance of underlying assets; volumes (where project revenue is linked to project usage); and forward energy prices and energy yields.

The Directors' assessment has been undertaken using a detailed financial model, which the Group uses consistently for forecasting purposes and to monitor compliance with the covenants in its corporate banking facilities. Key output from this model is reviewed at monthly treasury meetings and by the Group's Executive Committee, Audit Committee and Board. Where appropriate, the model has been subjected to robust sensitivity analysis to stress test the resilience of the Group's forecasts to severe but plausible scenarios. These include a scenario under which the Group is unable to make further investment realisations over an extended time period and accordingly materially reduces new investment activity as well as costs.

The Company has a strong risk management culture, supported by a Risk Committee and an internal audit function, which helps to ensure that key risks to the business are identified, assessed and monitored appropriately.

Based on the above assessment, the Directors have formed a reasonable expectation that the Group will be able to continue its operations and meet its liabilities as they fall due over the next three years from 31 December 2015.

PRINCIPAL RISKS AND RISK MANAGEMENT

The effective management of risks within the Group is essential to the successful delivery of the Group's objectives. The Board is responsible for ensuring that risks are identified and appropriately managed across the Group and has delegated to the Audit Committee responsibility for reviewing the effectiveness of the Group's internal controls, including the systems established to identify, assess, manage and monitor risks.

The principal internal controls that operated throughout 2015 and up to the date of this Annual Report include:

- an organisational structure which provides adequate segregation of responsibilities, clearly defined lines of accountability, delegated authority to trained and experienced staff and extensive reporting;
- clear business objectives aligned with the Group's risk appetite;
- risk reporting, including identification of risks through Group-wide risk registers, that is embedded in the regular management reporting of business units and is communicated to the Board; and
- an independent internal audit function, which reports to the Audit Committee. The external auditor also reports to the Audit Committee on the effectiveness of controls.

In addition, a Risk Committee, comprising senior members of management and chaired by the Group Finance Director, assists the Board, Audit Committee and Executive Committee in formulating and enforcing the Group's risk management policy.

The Directors confirm that they have carried out (i) a review of the effectiveness of the Group's risk management and internal control systems and (ii) a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. No material weaknesses were identified from the review of the Group's risk management and internal control systems. The Group risk register is reviewed at every meeting of the Audit Committee and Risk Committee and every six months by the Board.

The above controls and procedures are underpinned by a culture of openness of communication between operational and executive management. All investment decisions are scrutinised in detail by the Investment Committee and, if outside the Investment Committee's terms of reference, also by the Board.

The Directors' assessment of the principal risks applying to the Group is set out below, including the way in which risks are linked to the three strategic objectives set out in the Chief Executive Officer's review. Additional risks and uncertainties not presently known to the Directors, or which they currently consider not to be material, may also have an adverse effect on the Group:

Risk	Link to strategic objectives (note)	Mitigation	Change in risk since 31 December 2014
Governmental policy Changes to legislation or public policy in the jurisdictions in which the Group operates or may wish to operate could negatively impact the volume of potential opportunities available to the Group and the returns from existing opportunities. The use of PPP programmes by governmental entities may be delayed or may decrease thereby limiting opportunities for private sector infrastructure investors in the future, or be structured such that returns to private sector infrastructure investors are reduced. Governmental entities may in the future seek to terminate or renegotiate the terms applying to existing projects for example to introduce new policies or legislation that result in higher tax obligations on existing PPP or renewable energy projects or otherwise affect existing or future projects. Changes to legislation or public policy relating to renewable energy could negatively impact the economic returns on the Group's investments in renewable energy projects, which would adversely affect the demand for and attractiveness of such projects. Compliance with the public tender regulations which apply to PPP projects is complex and the outcomes may be subject to third party challenge and reversed.	1, 2, 3	The Board limits its exposure to any single jurisdiction. Thorough due diligence is carried out in order to assess a specific country's risk (for example economic and political stability, tax policy and local practices) before any investment is made. Where possible the Group seeks specific contractual protection from changes in government policy and law for the projects it invests in. General change of law is considered to be a normal business risk. During the bidding process for a project, the Group takes a view on an appropriate level of return to cover the risk of non-discriminatory changes in law. During the bidding process for a project, the Group assesses the sensitivity of the project's forecast returns to changes in factors such as tax rates and/or, for renewable energy projects, governmental support mechanisms. The Group targets jurisdictions which have a track record of support for renewable energy investments and which continue to demonstrate such support. Through its track record of 117 investment commitments, the Group has developed significant expertise in compliance with public tender regulations.	→ No change

Risk	Link to strategic objectives (note)	Mitigation	Change in risk since 31 December 2014
Macroeconomic factors Inflation, interest rates and foreign exchange all potentially impact the return generated from an investment, to the extent such factors cannot be hedged. Weakness in factors which affect energy prices, such as the oil price, could negatively impact the economic returns on the Group's investments in renewable energy. Weakness in the political and economic climate in a particular jurisdiction could impact the value of, or the return generated from, any or all of the Group's investments located in that jurisdiction.	1, 2, 3	Factors which have the potential to impact adversely the underlying cash flows of an investment are hedged wherever possible at a project level and sensitivities are considered during the investment approval process. Systemic risks, such as potential deflation, or appreciation/depreciation of Sterling versus the currency in which an investment is made, are assessed in the context of the portfolio as a whole. The Group seeks to reduce the extent to which its renewable energy investments are exposed to energy prices through government support mechanisms and/or off take arrangements. The Group monitors closely the level of investments it has exposed to foreign currencies, including regularly testing the sensitivity of the financial covenants in its corporate banking facilities to a significant change in the value of individual currencies. Where possible, specific clauses relating to potential currency change are incorporated in project documentation.	↑ Increased
Liquidity in the secondary market Weakness in the secondary markets for investments in PPP or renewable energy, for example as the result of a lack of economic growth in relevant markets, regulatory reform in the banking sector, liquidity in financial markets, changes in interest rates and project finance market conditions,and the recent difficulties in parts of the Eurozone, may affect the Group's ability to realise full value from its divestments. The secondary market for investments in renewable energy projects may be affected by, inter alia, changes in energy prices, in governmental policy, in the value of governmental support mechanisms and in project finance market conditions. The ability of JLIF and JLEN to finance further investments may have an impact on both the Group's ability to sell investments in PPP and renewable energy projects and on the Group's asset management business more generally.	1, 2, 3	Projects are appraised on a number of bases, in particular being held to maturity. Projects are also carefully structured so that they are capable of being divested, if appropriate, before maturity. Over recent years, the secondary markets for both PPP and renewable energy investments have grown. In particular, several new environmental funds have been launched. While JLIF and JLEN are natural buyers of the Group's PPP and renewable energy investments respectively, the size and breadth of secondary markets provide the Group with confidence that it can sell investments to other purchasers.	→ No change
Financial resources Any shortfall in the financial resources that are available to the Group to satisfy its financial obligations may make it necessary for the Group to constrain its business development, refinance its outstanding obligations, forego investment opportunities and/or sell existing investments. Inability to secure project finance could hinder the ability of the Group to make a bid, or where the Group has a preferred bidder position, could negatively impact whether an underlying project reaches financial close. The inability of a project company to satisfactorily refinance existing maturing medium-term project finance facilities periodically during the life of a project could affect the Group's projected future returns on investments from such projects. Adverse financial performance by a project company which affects the financial covenants in its project finance loan documents may result in the project company being unable to make distributions to the Group and other investors and may enable senior project finance debt providers to declare default on the financing terms and exercise their security.	1, 3	In February 2015, the Group entered into corporate banking facilities which mature in March 2020. Available headroom is carefully monitored and compliance with the financial covenants and other terms of this facility is closely observed. The Group also monitors its working capital and letter of credit requirements and maintains an active dialogue with its banks. It operates a policy of ensuring that sufficient financial resources are maintained to satisfy committed and likely future investment requirements. The Group believes that there is currently sufficient depth and breadth in project finance markets to meet the financing needs of the projects it invests in. The Group works closely with a wide range of project finance providers, including banks and other financial institutions. Projects in which the Group has invested in PPP markets such as Australia and New Zealand, where the tenor of project finance facilities at financial close tends to be medium term, will need to be refinanced in due course. Prior to financial close, all proposed investments are scrutinised by the Investment Committee. This scrutiny includes a review of sensitivities to adverse performance of investment returns and financial ratio tests as well as an assessment of a project's ability to be refinanced if the tenor of its debt is less than the term of the concession or the project's useful life. The Group maintains an active dialogue with the banks and other financial institutions which provide project finance to the projects in which it invests. Monitoring of compliance with financial covenant ratios and other terms of loan documents continues throughout the term of the project finance loan.	↓ Decreased

PRINCIPAL RISKS AND RISK MANAGEMENT (CONTINUED)

Risk	Link to strategic objectives (note)	Mitigation	Change in risk since 31 December 2014
Pensions The amount of the deficit in the Group's main defined benefit pension scheme (JLPF) can vary significantly due to gains or losses on scheme investments and movements in the assumptions used to value scheme liabilities (in particular life expectancy, discount rate and inflation rate). Consequently the Group is exposed to the risk of increases in cash contributions payable, volatility in the deficit reported in the Group Balance Sheet, and gains/losses recorded in the Group Statement of Comprehensive Income.	1, 3	The Group's two defined benefit pension schemes are overseen by corporate trustees, the directors of which include independent and professionally qualified individuals. The Group works closely with the trustees on the appropriate funding strategy for the schemes and takes independent actuarial advice as appropriate. Both schemes are closed to future accrual and accordingly have no active members, only deferred members and pensioners. A significant proportion of the liabilities of JLPF is matched by a bulk annuity buy-in agreement with Aviva. Other hedging is also in place. In February 2015, the Group made a special contribution to JLPF of assets/cash valued at £100 million, thereby significantly reducing the IAS 19 deficit in the scheme. The next actuarial valuation of JLPF is due as at 31 March 2016.	→ No change
Competition The Group operates in competitive markets and may not be able to compete effectively or profitably.	1	The Group believes that its experience and expertise as an active investor accumulated over more than 20 years, together with its flexibility and ability to respond to market conditions will continue to enable it to compete effectively and secure attractive investments.	→ No change
Valuation The valuation of an investment in a project may not reflect its ultimate realisable value. In circumstances where the revenue derived from a project is related to patronage (i.e. customer usage), actual revenues may vary materially from assumptions made at the time the investment commitment is made. In addition, to the extent that a project company's actual costs incurred differ from forecast costs, for example, because of late construction, and cannot be passed on to sub-contractors or other third parties, investment returns may be adversely affected. Revenues from renewable energy projects may be affected by the volume of power production (e.g. from changes in wind or solar yield), restrictions on the electricity network or other factors such as noise and other environmental restrictions, as well as by changes in energy prices and to governmental support mechanisms. The valuation of the Group's investment portfolio is affected by movements in foreign exchange rates, which are reflected through the Group's financial statements. In addition, there are foreign exchange risks associated with conversion of foreign currency cash flows relating to an investment into and out of Sterling. During the construction phase of an infrastructure project, there are risks that either the works are not completed within the agreed time-frame or that construction costs overrun. Where such risks are not borne by sub-contractors, or sub-contractors fail to meet their contractual obligations, this can result in delays or cost overruns, which may adversely affect the valuation of and return on the Group's investments. The Group is reliant on the performance of third parties in constructing an asset to an appropriate standard as well as operating it in a manner consistent with contractual requirements. Poor performance by, or failure of, such third parties may result in the impairment or loss of an investment.	3	The discount rates used to value investments are derived from publicly available market data and other market evidence and are updated regularly. The Group has a good track record of realising investments at prices consistent with the fair values at which they are held. The Group's investments are in projects which are principally availability-based (where the revenue does not generally depend on the level of use of the project asset). Where patronage or volume risk is taken, the Directors review assumptions and their sensitivities in detail prior to any investment commitment. Where the revenue from projects is related to patronage or volume (e.g. with regard to investments in renewable energy), risks are mitigated through a combination of factors, including (i) the use of independent forecasts of future volumes (ii) lower gearing versus that of availability-based projects (iii) stress-testing the robustness of project returns against significant falls in forecast volumes. The Group typically hedges cash flows arising from investment realisations or significant distributions in currencies other than Sterling. The intention is that projects are structured such that (i) day-to-day service provision is sub-contracted to qualified sub-contractors supported by appropriate security packages (ii) cost and price inflation risk in relation to the provision of services lies with sub-contractors (iii) performance deductions in relation to non-availability lie with sub-contractors (iv) major maintenance and ongoing project company costs are reviewed annually and cost mitigation strategies adopted as appropriate. The Group's intention is to maintain a majority of availability – based investments by value in its portfolio. The Group has procedures in place to ensure that project companies in which it invests appoint competent sub-contractors with relevant experience and financial strength. If project construction is delayed, sub-contracting arrangements contain terms enabling the project company to recover liquidated damages, additional costs and lost revenue, subject to limits. In addition, the project company may terminate its agreement with a sub-contractor if the latter is in default and seek an alternative sub-contractor. The terms of the sub-contracts into which project companies enter provide significant protections for investment returns from the poor performance of third parties. The ability to replace defaulting third parties is supported by security packages to protect against price movement on re-tendering.	↓ Decreased

Risk	Link to strategic objectives (note)	Mitigation	Change in risk since 31 December 2014
Counterparty risk The Group is exposed to counterparty credit risk with regards to (i) governmental entities, sub-contractors, lenders and suppliers at a project level and (ii) consortium partners, financial institutions and suppliers at a Group level. In overseas jurisdictions, the Group's investments backed by governmental entities may ultimately be subject to sovereign risk.	3	The Group works with multiple clients, joint venture partners, sub-contractors and institutional investors so as to reduce the probability of systemic counterparty risk in its investment portfolio. In establishing project contractual arrangements prior to making an investment, the credit standing and relevant experience of a sub-contractor are considered. Post contract award, the financial standing of key counterparties is monitored to provide an early warning of possible financial distress. PPP projects are normally supported by central and local government covenants, which significantly reduce the Group's risk. Risk is further reduced by the increasing geographical spread of the Group's investments. Counterparties for deposits at a Group level, project debt swaps and deposits within project companies are required to be banks with a suitable credit rating and are monitored on an ongoing basis. Entry into new geographical areas which have a different legal framework and/or different financial market characteristics is considered by the Board separately from individual investment decisions. Typically, a substantial proportion of the revenue generated by renewable energy projects is backed by governmental support mechanisms.	→ No change
Major incident A major incident at any of the projects invested in by the Group, such as a terrorist attack or war, could lead to a loss of crucial business data, technology, buildings and reputation and harm to the public, all of which could collectively or individually result in a loss of value for the Group.	2, 3	At financial close, projects benefit from comprehensive insurance arrangements, either directly or through contractors' insurance policies. Detailed business continuity plans have been designed and are tested at frequent/regular intervals. Business continuity procedures are also regularly updated in order to maintain their relevance. John Laing operates to independent, third party-certified management systems in respect of health and safety (OHSAS 18001:2007) and environmental management (ISO 14001:2004). In addition it routinely monitors health, safety and environmental issues in the projects it invests in or manages.	→ No change
Investment adviser agreements with JLIF and/or JLEN A loss of JLCM's investment adviser agreements with JLIF and JLEN respectively would be detrimental to the Group's Asset Management business.	2	Through JLCM, and supported by other parts of the Asset Management division, the Group focuses on delivering a high quality service to both funds.	→ No change
Future returns from investments The Group's historical returns and cash yields from investments may not be indicative of future returns. The Group's expected hold-to-maturity internal rates of return from investments are based on a variety of assumptions which may not be correct at the time they are made and may not be achieved in the future.	1, 2, 3	In bidding for new projects, the Group sets a target internal rate of return taking account of historical experience, current market conditions and expected returns once the project becomes operational. The Group continually looks for value enhancement opportunities which would improve the target rate of return. At the investment appraisal stage, projects are tested for their sensitivity to changes in key assumptions.	→ No change

PRINCIPAL RISKS AND RISK MANAGEMENT (CONTINUED)

Risk	Link to strategic objectives (note)	Mitigation	Change in risk since 31 December 2014
Taxation The Group may be exposed to changes in taxation in the jurisdictions in which it operates, or it may cease to satisfy the conditions for relevant reliefs. Tax authorities may disagree with the positions that the Group has taken or intends to take. Project companies may be exposed to changes in taxation in the jurisdictions in which they operate. In October 2015, the OECD published its recommendations for tackling Base Erosion and Profit Shifting (BEPS) by international companies. The governments of OECD countries are now considering how best to implement these recommendations into their domestic law. The OECD has identified the use of tax deductible interest as one of the key areas where there is opportunity for BEPS by international companies. To the extent that one or more of the jurisdictions in which the Group operates changes its rules to limit tax deductible interest, this could significantly impact the way in which future project-financed infrastructure investments are structured in those jurisdictions.	1, 3	Tax positions taken by the Group are based on industry practice and/or external tax advice. At the investment appraisal stage, projects are tested for their sensitivity to changes in tax rates. Project valuations are regularly updated for changes in tax rates. The Group's understanding is that not all governments will implement the OECD recommendations in the same way. Some believe their existing rules are adequate to limit the scope for BEPS. Others may take advantage of grandfathering provisions or the potential for exemptions for projects with a public benefit. The Group has contributed to the UK Government's consultation on how to implement the OECD recommendations. The Group's effective tax rate tends to be lower than the standard rate of UK corporation tax principally because the contributions the Group makes to JLPF are deductible for tax purposes.	↑ Increased
Personnel The Group may fail to recruit or retain key senior management and skilled personnel in, or relocate high-quality personnel to, the jurisdictions in which it operates or seeks to expand.	1, 2, 3	The Group regularly reviews pay and benefits to ensure they remain competitive. The Group's senior managers participate in long term incentive plans. The Group plans its human resources needs carefully, including appropriate local recruitment, when it bids for overseas projects.	→ No change

Note:

The Group's three strategic objectives, as set out in the Chief Executive Officer's review, are:

1. Growth in primary investment volumes (new capital committed to greenfield infrastructure projects) over the medium term.
2. Growth in the value of external AuM and related fee income.
3. Management and enhancement of the Group's investment portfolio, accompanied by realisations of investments which, combined with the Group's corporate banking facilities and operational cash flows, enable it to finance new investment commitments.

CORPORATE RESPONSIBILITY

"The John Laing Group has committed for the long term to its corporate responsibility agenda which is endorsed by the John Laing Executive Committee. However in relation to our community investment strategy, it is the engagement of our employees that makes the difference. Our intent is to be a good corporate citizen and to support our employees to contribute positively in their own capacities to good causes where they live and work. Our policies and procedures reflect the values, of a responsible employer which operates with integrity, and in a manner that is both ethical and transparent."

Olivier Brousse
CHIEF EXECUTIVE OFFICER

COMMUNITY INVESTMENT

Our community investment strategy is delivered through our employees and a number of partners.

Since 2006 we have been an active Patron of the Prince's Trust, which has allowed us to support disadvantaged and vulnerable young people across the UK, to help them move into work, education or training. In May 2015, a team of 26 John Laing staff and members of their families undertook a mountain challenge in the UK's Lake District. Through sponsorship matched by the John Laing Charitable Trust (JLCT), the team raised £18,770 for the Prince's Trust.

The Group encourages its staff to become involved in activities and initiatives that benefit local communities and environments. During the year our Asset Management finance team undertook community work on the Thrive garden project in Battersea Park, London, an initiative set up by Business in the Community's "Give and Gain day". This involved cleaning planting areas, clearing walkways and assisting in the project's on-site shop as well as working with people living with disabilities and ill health.

During 2015, staff in Australia, Canada, New Zealand and the US successfully applied to JLCT for donations to charities they are involved with and wished to support. Their activities included a 2km open sea swim from Bondi Beach for seven colleagues from Sydney supporting The Kids Cancer charity project.

They also included the New Generation Rollingstock team in our Brisbane office becoming actively involved in Oz Harvest, a perishable food rescue organisation in Australia that collects excess food from commercial outlets and delivers it to in excess of 500 charities.

THE JOHN LAING CHARITABLE TRUST (JLCT)

JLCT supports the work of welfare visitors who look after the needs of former employees and their surviving partners. Its trustees set aside considerable funds each year to provide financial help and assistance.

All John Laing employees or members of their immediate family directly involved in a charity are able to apply to JLCT for a grant of up to £1,000 to support a good cause; additionally JLCT is able to match charitable donations raised by employees, up to a value of £1,500 per employee. Through JLCT, the Company was able to reward the loyalty of long serving staff as well as recognising their contribution to the business through the annual Star Awards (see Workplace section). In 2015, employees qualifying for Star Awards were given the opportunity to donate up to £1,000 towards a charity of their choice. During 2015, the combined donations on all these fronts equated to over £70,000.

CORPORATE RESPONSIBILITY (CONTINUED)

HEALTH AND SAFETY

John Laing holds independent third party certification for the internationally-recognised occupational health and safety management system BS OHSAS 18001:2007, and operates in accordance with the Health and Safety at Work Act 1974 and all other applicable legislation. As an international organisation, we operate to UK legislated standards across all our undertakings, or country specific standards if higher.

These arrangements enable us to demonstrate our ongoing commitment to the health and safety of all our staff and anyone who may be directly or indirectly affected by our activities. We strive to deliver continual improvement in all areas of our health and safety performance and regularly engage with our employees to ensure that their occupational health and wellbeing is considered a key business priority. We have systems in place to monitor the implementation of health and safety throughout the business.

ENVIRONMENT

We seek to reduce the impact on the environment from infrastructure projects in which we invest through engagement with both projects' public sector clients and contractors alike. Wherever possible, we develop joint strategies to reduce both greenhouse gas emissions and the volume of 'waste to landfill' produced by such projects.

John Laing captures energy data covering head office and business travel activities, in order to determine, and where feasible reduce, our direct consumption and associated carbon footprint. The majority of our office accommodation is fitted with energy efficient technology to ensure our operations do not cause unnecessary detriment to the environment.

In order to comply with the Energy Savings Opportunity Scheme Regulations 2014 (ESOS Regulations), John Laing issued a qualifying and independently audited submission to the Environment Agency during November 2015.

Greenhouse Gas Emissions

As a listed company, we have an obligation to report greenhouse gas emissions pursuant to Section 7 of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

The table below shows our greenhouse gas (GHG) emissions for the year ended 31 December 2015. We listed on the London Stock Exchange in 2015 and accordingly do not provide comparable figures for 2014.

Greenhouse gas emissions in tonnes of carbon dioxide (tCO_2) or carbon dioxide equivalent (tCO_2e)

Emissions source	Emissions
Combustion of fuel and operation of facilities (Scope 1)	52.2 tCO_2e
Electricity purchased for our own use within buildings and leased electric vehicles (Scope 2: location-based)	152.9 tCO_2e
Electricity purchased for our own use within buildings and leased electric vehicles (Scope 2: market-based)	105.9 tCO_2
Other indirect emissions (Scope 3)	426.9 tCO_2e

Emissions resulting from the consumption of electricity outside the UK and emissions from purchased electricity calculated on the market-based approach using supplier-specific emission factors are reported in tCO_2 rather than tCO_2e due to the availability of emission factors.

Methodology

We quantify and report our organisational GHG emissions in alignment with the World Resources Institute GHG Protocol Corporate Accounting and Reporting Standard and in alignment with the new Scope 2 Guidance update to the Corporate Standard. We report on GHG emissions where we have operational control.

We have voluntarily reported on our Scope 3 indirect emissions from business travel and water consumption using the GHG Protocol Corporate Value Chain (Scope 3) Standard. We have worked with Carbon Credentials Energy Services to calculate our GHG emissions.

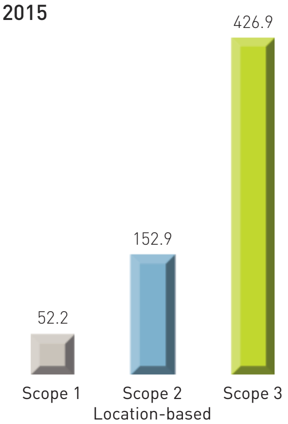
The GHG sources that are covered for the 2015 reporting period are:

- Scope 1: Natural gas combustion within boilers and fuel combustion within leased vehicles
- Scope 2: Purchased electricity consumption for our own use within buildings and leased electric vehicles
- Scope 3: Business travel and the supply and treatment of water

In some cases, values have been estimated using either extrapolation of available data from the reporting period or data from 2014 as a proxy.

TOTAL EMISSIONS 2015

(tCO_2e)

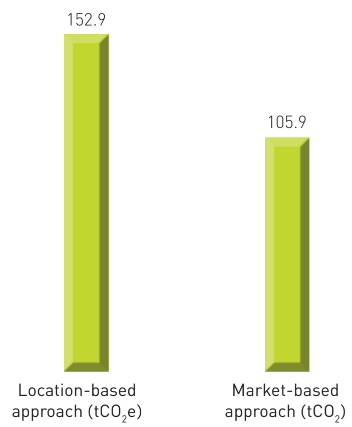


The new Scope 2 Guidance in the GHG Protocol referred to above requires that we quantify and report Scope 2 emissions from purchased electricity consumption for our own use using two different methodologies: the location-based method, using average emissions factors for the country in which the reported operations take place, and the market-based method, which uses the actual emissions factors of the energy procured. This is known as dual reporting.

The bar chart below shows John Laing's Scope 2 emissions from purchased electricity, which have been calculated using the two different methodologies.

SCOPE 2 EMISSIONS

(tCO_2e/tCO_2)



The two methodologies are also illustrated in the table below.

Gross greenhouse gas emissions and emissions intensity metric in tCO_2e or tCO_2

	Location-based approach	Market-based approach
Scope 1 & 2 emissions	205.1 tCO_2e	158.1 tCO_2
Scope 1 & 2 emissions per full-time equivalent (FTE) employee	0.61 tCO_2e	0.42 tCO_2
Scope 1, 2 & 3 emissions	632.0 tCO_2e	585.0 tCO_2

Scope 1 and 2 emissions per FTE are based on a figure of 250 FTE employees.

Improving Performance

As part of compliance with the UK Energy Savings Opportunities Scheme, we have identified savings which could lead to a reduction in electricity consumption at our headquarters at 1 Kingsway, London, as well as reductions in emissions from business mileage.

WORKPLACE

Our People

John Laing aims to attract, retain, engage, develop and reward its high quality employees. We fully support our people to maximise their career potential through learning and development and to achieve a work-life balance. We recognise that investing in our people is critical to the success of our business.

Employment

At 31 December 2015, the Group employed 252 people in the UK and overseas (2014 – 242). During 2015 we continued to align our resource base with the needs of the markets in which we operate. As a result the percentage of staff located outside the UK increased from 18% to 22%.

Employee Engagement

Employees are regularly informed of progress and updates in the business through conference calls conducted by the Executive Committee as well as through briefings on topical and relevant business issues. The Group's 15-20 most senior managers met on three occasions in 2015 over one to two days to address specific business issues as well as future strategies.

We are committed to a positive working environment free from any discrimination or unfair treatment which provides all employees with equal opportunities to develop within the Group.

Recognition and Reward

We regularly review our pay and benefits structure to ensure that we remain competitive within the market, are attractive to potential employees, and provide the right link between performance and reward. As well as a competitive pay and benefits structure, we recognise and reward employee performance through bonuses and long-term incentive plans.

Work-Life Balance Policies

We recognise the importance of a working environment which enables employees to achieve a balance between their work and personal life to the mutual benefit of the individual, the business and society. Our aim is to create an environment that supports staff and their general wellbeing, maintains effective working practices and enables a productive and positive balance between work and life outside work.

The Group has a number of work-life balance policies and practices in place which support flexible working, working parents and periods of absence from the work place. The Group seeks to exceed statutory minimum requirements where it can. For example we offer enhanced maternity, paternity and adoption pay arrangements.

The Group also provides an employee assistance programme which is available to all employees, their partners and their immediate family. This is an independent service which offers support and counselling on a wide range of work, personal and family issues.

Learning and Development

We support the skills, development and learning of employees through a range of means, including external courses and seminars, sponsorship for undertaking professional qualifications, secondments, development assessments, and coaching and mentoring.

Retention of our employees through effective development is key to the success of the business. During the year, we provided personal development, mentoring and coaching support for employees with high potential. We also provided a programme of courses and workshops that support the development of key management skills. Throughout 2015, we also focused on the development requirements of individuals and teams, supported where necessary with external facilitation, to ensure teams are operating effectively.

We continue to focus on the development of our people through an annual Performance Development Review. This encourages discussion on performance and objectives between individuals and their managers. It also allows individuals to discuss their career aspirations and identify with their manager development opportunities to support these.

During 2015, the Group ran an in-house training programme which covered a wide range of subjects, including management development, negotiation, personal effectiveness, professional development and information technology. During 2016, we are placing a premium on on-the-job training and also putting the onus on staff to identify their own training needs.

We also offer a personal financial planning course to assist employees in planning for their longer-term financial future including pension planning.

We offer a flexible benefits package which allows people to select and choose from a variety of benefits and we conduct annual staff awards (the Star Awards) which provide for recognition of the achievements and contributions employees make to both the business and the community.

Staff numbers at 31 December 2015, broken down by certain remuneration and gender criteria, were:

	Total	Male	%	Female	%
Total Group	**252**	**153**	**61**	**99**	**39**
Senior Managers earning above £70,000 per annum	103	91	88	12	12
Executive Directors	2	2	100	–	–

DIRECTORS AND COMPANY SECRETARY

* EXECUTIVE DIRECTORS

** NON-EXECUTIVE DIRECTORS

** Dr Phil Nolan BSc PHD MBA

Chairman

Phil has been Chairman since joining John Laing in January 2010. He has a wealth of experience on the boards of many companies, private and public and in both an executive and non-executive capacity. He is non-executive Chairman of Affinity Water Limited, Chairman of Ulster Bank Ireland Limited and a non-executive director of Providence Resources Plc and EnQuest PLC. He was Chairman of Infinis, a then privately held, leading renewable energy generator between 2007 and 2010, Chairman of Sepura plc, a listed, global supplier of TETRA radios between 2007 and 2010 and CEO of Eircom, Ireland's national telecommunications supplier from 2002 to 2006. Prior to that, he served as an Executive Director of BG Group plc and CEO of Transco plc from 1998 and in 2000, led the demerger of Transco as CEO of the Lattice Group. *Age 62*

* Olivier Brousse EP, ENPC

Chief Executive Officer

Olivier joined John Laing in March 2014 as Chief Executive Officer. Following graduation from École Polytechnique and École Nationale des Ponts et Chaussées in France, he became Commercial Director of Unic Systems and then Chief of Staff to the Chairman and CEO of Compagnie Générale des Eaux, both in France. In 1998, he moved to London as CEO of Connex South Eastern and then joined Veolia, first as CEO of Veolia Transportation Inc. in Washington DC and then as Deputy CEO of Veolia Transport Group, responsible for French and US businesses. From 2008 to 2014, he served as CEO and then Executive Chairman of Saur SA in France. In 2016, he was awarded the Légion d'Honneur by the French President François Hollande. *Age 51*

* Patrick O'D Bourke MA, ACA

Group Finance Director

Patrick joined John Laing in 2011 as Group Finance Director. He graduated from Cambridge University and qualified as a chartered accountant with Peat Marwick (now KPMG) before spending nine years in investment banking with first Hill Samuel and then with Barclays de Zoete Wedd. In 1995, he joined Powergen plc where he was responsible for mergers and acquisitions before becoming Group Treasurer. From 2000 to 2006, he was Group Finance Director of Viridian Group PLC, the Northern Ireland based energy group, becoming Group Chief Executive in 2007 after Viridian was taken private. He joined the Board of Affinity Water Limited in 2013 as a non-executive director. *Age 58*

** Anne Wade BA, MSc

Independent Non-Executive Director

Anne joined John Laing in December 2014 as a non-executive director. An asset manager by background, Anne has extensive experience in capital markets. From 1995 to 2012, she was Senior Vice President and Director of Capital International. Throughout her 17 year career with Capital, she was responsible for infrastructure-related investments. Anne is a non-executive director and member of the Governance and Strategy Committee of Holcim, based in Switzerland. Anne is also a director of the Heron Foundation in New York and Big Society Capital, in London, and an Associate with Leader's Quest. She has a BA from Harvard and an MSc from the London School of Economics. *Age 43*

** Dr Jeremy Beeton CB, BSc, CEng, FICE

Independent Non-Executive Director

Jeremy joined John Laing in December 2014 as a non-executive director. He is a Fellow of the Institution of Civil Engineers with 40 years of international experience in project and programme management over very large multi-site, multiple project operations portfolios for and within government, public companies and private companies. He is also currently an independent non-executive director of SSE plc, an independent non-executive director of WYG plc, an Advisory Board member of PricewaterhouseCoopers LLP and Chairman of Merseylink Ltd. Additionally, Jeremy sits on the governing Court of Strathclyde University. He was Director General of the London 2012 Olympic and Paralympic Games from 2007 until the Olympic Baton was passed on to Rio de Janeiro in 2012. For eight years prior to this, he was a Principal Vice President with Bechtel, responsible for their worldwide civil operations and has lived and worked extensively in the Middle East and Asia Pacific. He was awarded CB in the 2013 New Year Honours and holds an honorary Doctorate of Engineering from Napier University. *Age 62*

** Toby Hiscock MA (Oxon), FCA

Independent Non-Executive Director

Toby joined John Laing in June 2009 as a non-executive director. He is a qualified chartered accountant with 34 years' experience as a finance professional. He was the Chief Financial Officer and an Executive Director of Henderson Group plc from 2003 until his retirement in 2009, and was responsible for all aspects of financial stewardship of the Henderson Group. Before Henderson, he was a senior manager at Midland Bank Group in London and from 1981 to 1988 worked for Binder Hamlyn, Chartered Accountants after graduating from Oxford University. Toby is also a non-executive director of and consultant to a number of other public and private institutions. *Age 56*

** David Rough BSc Hons

Senior Independent Director

David joined John Laing in December 2014 as a non-executive director. He has spent his life working in the financial services sector predominantly in the investment management business. He joined Legal and General in 1988 and was made head of securities in 1989. In 1991, David was appointed to the group board as Group Director (Investments) responsible for the group's investment operations. He retired from the business in 2002. During that time he also served as chairman of the Association of British Insurers' Investment Committee. David has been a non-executive and senior independent director on a number of boards, including Land Securities, London Metal Exchange, Friends Provident and Xstrata. Since 2003, David is a non-executive director of Brown Shipley, a wealth management business. He was appointed as a non-executive director of Hansteen Holdings plc in October 2015. *Age 65*

Carolyn Cattermole LLB

Group General Counsel and Company Secretary

Carolyn joined John Laing in September 2012 as Group General Counsel and Company Secretary. Her previous roles were General Counsel and Company Secretary of DS Smith Plc, the international supplier of recycled packaging, for ten years, and Company Secretary of Courtaulds Textiles plc for three years. Prior to that, she was a senior legal adviser with Courtaulds plc, having qualified as a solicitor with Norton Rose. *Age 55*

DIRECTORS' REPORT

The Directors submit their Annual Report and the audited Group and Company financial statements of John Laing Group plc for the year ended 31 December 2015. The Group financial statements are set out on pages 68 to 111 and the Company financial statements on pages 112 to 119. Disclosures made elsewhere in this Annual Report are cross-referenced (and thereby deemed disclosed) in this Directors' Report as appropriate.

GROUP ACTIVITIES

John Laing is an originator, active investor and manager of international infrastructure projects. John Laing Group plc is a company incorporated in England and Wales with company number 5975300.

A list of the Company's investments can be found in note 29 to the Group financial statements on page 109 of this Annual Report.

There have been no significant changes in the principal activities of the John Laing group of companies in the year under review. The Directors are not aware, at the date of this report, of any major changes in the Group's activities in the coming year.

The Group's greenhouse gas emissions for 2015 are presented in detail in the Corporate Responsibility section.

ADMISSION TO LISTING

On 17 February 2015, the Company's ordinary shares were admitted to listing on the main market of the London Stock Exchange (Admission). On 29 January 2015, conditional on Admission, the Company and Henderson entered into a relationship agreement, the principal purpose of which was to ensure that the Company and its subsidiaries were capable of carrying on their business independently of Henderson and the underlying funds it represented. The relationship agreement terminated on 1 October 2015 when Henderson distributed the remaining shares it controlled in the Company to the underlying investors.

RESULTS AND DIVIDENDS FROM CONTINUING OPERATIONS

The John Laing Group pro forma profit before taxation from continuing operations for the year amounted to £100.9 million (2014 – £120.4 million). The statutory profit before taxation from continuing operations for the year amounted to £97.5 million (2014 – £nil).

The Company-only statutory profit for the year was £170.7 million (see page 114) (2014 – loss £25).

An interim dividend of 1.6 pence per ordinary share was paid on 30 October 2015 and the Directors are recommending a final dividend of 5.3 pence per ordinary share which, together with the interim dividend, makes a total dividend for the year of 6.9 pence. Subject to the approval of shareholders at the AGM to be held on 12 May 2016, the final dividend will be paid on 20 May 2016 to shareholders on the register at the close of business on 22 April 2016.

FINANCIAL INSTRUMENTS

The Group's financial risk management objectives and policies and its exposure to the following risks – market, credit, price, liquidity and capital – are detailed in note 17 to the Group financial statements.

POST BALANCE SHEET EVENTS

Post balance sheet events are detailed in note 27 to the Group financial statements.

STRATEGIC REPORT, CORPORATE GOVERNANCE REPORT AND DIRECTORS' REMUNERATION REPORT

The key events during the year and the development of the business of the John Laing group of companies are set out in the Strategic Report on pages 8 to 39. The Strategic Report includes the Financial Review on pages 26 to 30, the viability statement on page 31 and the principal risks facing the Group on pages 32 to 36.

The Corporate Governance Report can be found on pages 44 to 46 and the Directors' Remuneration Report on pages 50 to 62.

SHARE CAPITAL

Details of the Company's issued share capital and the rights and restrictions attached to the shares, together with details of movements in the issued share capital during the year, are shown in note 21 to the Group financial statements on page 102 of this Annual Report. The Company has not utilised its authority to make market purchases of shares granted to it at Admission but, in line with market practice, will be seeking to renew such authority at this year's AGM.

MAJOR INTERESTS IN ORDINARY SHARES

Notifications of the following major voting interests in the Company's ordinary share capital (notifiable in accordance with Rule 5 of the FCA's Disclosure and Transparency Rules or Section 793 of the Companies Act 2006) had been received by the Company as at 31 December 2015 and 1 March 2016:

	As at 31 December 2015	% of issued share capital	As at 1 March 2016	% of issued share capital
Schroder Investment Management	31,241,985	8.51	32,788,562	8.94
IMI CFI Trustee Limited	31,083,372	8.47	31,083,372	8.47
Blackrock Investment Management	26,898,767	7.33	26,898,767	7.33
Universities Superannuation Scheme	16,251,685	4.43	16,251,685	4.43
BUPA Pension Scheme Trustees Limited	10,427,619	2.84	–	–
Standard Life (Holdings) Limited	8,891,927	2.42	21,227,592	5.79

STATEMENT OF 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 auditor 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 auditor is aware of that information.

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

DIRECTORS

The following Directors served on the Board during the year.

P M G Nolan (appointed on 16 January 2015)
O Brousse (appointed on 16 January 2015)
P O'D Bourke (appointed on 16 January 2015)
N T Hiscock (appointed on 16 January 2015)
J J Beeton (appointed on 17 February 2015)
D Rough (appointed on 17 February 2015)
A K Wade (appointed on 17 February 2015)

P A Davies (resigned on 1 October 2015)
G R M Pigache (resigned on 1 October 2015)
M I Jaffe (resigned on 16 January 2015)

Biographical details of the current Directors can be found on pages 40 and 41 of this Annual Report.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company has purchased and maintains appropriate insurance cover in respect of Directors' and Officers' liabilities. The Company has also entered into qualifying third party indemnity arrangements for the benefit of its Directors, in a form and scope which comply with the requirements of the Companies Act 2006.

MATERIAL CONTRACTS

The Group's £350 million committed revolving credit corporate banking facility dated 19 January 2015 and associated ancillary facilities each terminate on 9 March 2020 and include a change of control clause. In the event of a change of control occurring, it would be expected that new financing arrangements to fund the outstanding utilisations would need to be made by the incoming owners.

EMPLOYEES

The Group seeks to ensure employee commitment to its objectives in a number of ways. Strategic changes are communicated directly to all staff and resultant queries are handled by the relevant business head or Executive Committee member as appropriate. Regular team briefings at local level provide employees with information about the performance of, and initiatives in, their part of the business. A wide range of information is also communicated across the Group's intranet.

The framework within which decisions about people are made is set out in the Group's personnel policies which are available to all staff. It is part of those policies to employ and train disabled people whenever their skills and qualifications allow and when suitable vacancies arise. If existing employees become disabled, every effort is made to find them appropriate work and training is provided if necessary.

Further details relating to the employees of the Group (including details of certain of the Group's employment policies) can be found on page 39 of the Strategic Report section of this Annual Report.

The Directors' Report, the Strategic Report, the Corporate Governance Report and the Directors' Remuneration Report were approved by the Board on 7 March 2016.

On behalf of the Board

Carolyn Cattermole
GROUP GENERAL COUNSEL AND COMPANY SECRETARY
7 March 2016

CORPORATE GOVERNANCE REPORT

The Board has resolved that the disclosures to be made in the Annual Report regarding the operation of the Board and its sub-committees should comply with the requirements of the UK Corporate Governance Code (the Code) and best practice generally. The Company has complied with the requirements of the Code since Admission on 17 February 2015. The Code is published by the Financial Reporting Council and the full text is available on its website at www.frc.org.uk. The following section describes how the Board applies the main principles of the Code.

DIRECTORS

The Directors were appointed to the Board in the early part of 2015 in anticipation of the admission of the Company's ordinary shares to the premium listing segment of the FCA and to trading on the London Stock Exchange's main market of listed securities. The Board believes it has an appropriate balance of skills and experience.

The Board met on a regular basis throughout the year and as needed to deal with special business. The Board has appointed an Audit Committee, a Nomination Committee and a Remuneration Committee which consider issues relevant to their specific terms of reference. The offices of the Chairman and the Chief Executive Officer are held separately.

Board meetings follow a formal agenda of matters reserved for decision and approval by the Board as well as any special business. Matters reserved for the Board include the review of strategy and organisational change, the review of internal controls and risk management processes, the approval of significant investments and disposals, the approval of budgets and the regular review of current trading and the financial position of the Group. A schedule of matters reserved for the Board is published on the Company's website at www.laing.com. The Board receives regular reports on current trading and the financial position and forecasts of the Group prior to its meetings. In addition, the Board receives relevant information on business, corporate and strategic issues. Formal procedures exist to ensure that the Board is made aware of any significant health and safety issues and non-compliance with statutory regulations. Olivier Brousse is the Board member responsible for health and safety issues. Further details of the Company's approach to health and safety are set out in the Corporate Responsibility section of the Strategic Report on page 38 of this Annual Report.

All Directors may take independent professional advice at the Group's expense in the furtherance of their duties and have full access to the Group General Counsel and Company Secretary.

Upon appointment, non-executive directors undertake an induction process to familiarise themselves with the Group's activities, policies and key issues. During their appointment they are expected to dedicate adequate time to carry out their role effectively and to challenge management in a constructive way.

The Chairman meets regularly with the other non-executive directors to discuss the performance of the Board and the Board sub-committees. The performance of Executive Directors is measured against predetermined objectives that are agreed with each Executive Director at the start of the financial year.

The Chairman has no executive responsibilities but leads and sets the agenda for the Board ensuring its effectiveness. The Chairman also acts as an interface between the Executive Directors and non-executive directors.

EFFECTIVENESS

Shortly after the 2015 year end, the Board conducted its annual evaluation of its own performance and that of its Committees and individual Directors. On this occasion, the process was led by the Chairman and conducted internally; the performance evaluation will be externally facilitated for the 2016 financial year. The Chairman held one-on-one discussions informed by a questionnaire with all Directors and the Company Secretary. The results of the evaluation process were reported to, and discussed by, the Board. In addition, the Chairman provided individual feedback to Directors. Following the review, it is proposed that the terms of reference of the Audit Committee be expanded to include a more formal consideration of business risks. In addition the Company Secretary has been asked to arrange ongoing relevant training for members of the Remuneration and Audit Committees.

The evaluation included consideration of the overall composition of the Board including plans for non-executive director succession over time. Directors identified the backgrounds and experiences which would be desirable in future non-executive directors to complement the Board's existing skills. In October 2015, the Board held a two-day review to address the future strategy and direction of the business which the Board judged to have been valuable.

In his role of Senior Independent Director, David Rough led a review by the Directors of the performance of the Chairman and subsequently reported back to the Board and provided feedback to the Chairman. The review concluded that the Chairman was fulfilling his role effectively.

BOARD AND COMMITTEE ATTENDANCE

	Board	Nomination Committee	Audit Committee	Remuneration Committee
Total number of meetings in 2015	7	1	5	6

Total number of meetings attended in 2015

	Independent	Board	Nomination Committee	Audit Committee	Remuneration Committee
Executive Directors					
Olivier Brousse	No	7	1	–	–
Patrick O'D Bourke	No	7	–	–	–
Non-Executive Directors					
Phil Nolan	On appointment	7	1	–	–
Jeremy Beeton	Yes	6	1	5	6
Toby Hiscock	Yes	6	1	5	6
David Rough	Yes	7	1	5	6
Anne Wade	Yes	7	1	–	6

– Not applicable.

BOARD SUB-COMMITTEES

Sub-committees of the Board have been constituted to consider and make recommendations to the Board regarding matters relating to external and internal audit, internal control and risk management processes, the selection of appropriate accounting policies, the presentation of the half year and full year accounts, investment performance, acquisitions and disposals, the appointment of Directors, and Directors' remuneration. Membership is determined by the Board and the duties of the Board sub-committees are set out in the following sections of this report.

All the sub-committees of the Board operate within clearly defined terms of reference which are reviewed and updated to reflect best practice and the Code as far as is commercially practicable. The terms of reference of the sub-committees are available on request from the Group General Counsel and Company Secretary and are published on the Company's website at www.laing.com.

AUDIT COMMITTEE

The Audit Committee is chaired by Toby Hiscock, a non-executive director, who has up to date relevant financial experience. The other members are David Rough and Jeremy Beeton.

During the year, the Committee met five times. Its terms of reference cover the review of internal and external audit plans and the interim and full year results, as well as internal control procedures and risk management processes. Regular reviews of significant risks are undertaken at meetings of the Committee and the Committee's observations are reported to the Board. The Group's system of internal control is designed to manage and mitigate rather than eliminate altogether the risk of failure to meet business objectives and can only provide reasonable, but not absolute, assurance against material financial misstatement or loss.

The internal audit function provides independent assurance to the Board, through the Audit Committee, that internal control processes, including those related to risk management, are relevant, effective and have operated across the business throughout the year.

The Group Finance Director is normally invited to attend meetings, along with other members of management as appropriate. The external auditor and Head of Internal Audit are also invited to attend meetings and meet with the Audit Committee privately, without management present, at least once a year.

The Committee considers and approves the external audit approach with the external auditor. The Committee reviews the independence of the external auditor and the procedures in place to ensure that its independence is not compromised. The Committee's specific approval is required for non-audit services performed by the external auditor where the fee is expected to exceed £20,000.

Audit Committee meetings are minuted and copies of the minutes are provided to the Directors and the external auditor.

The Committee reports to the Board, through the Chairman of the Committee.

CORPORATE GOVERNANCE REPORT (CONTINUED)

NOMINATION COMMITTEE

The Committee met once during the year. Phil Nolan is the Chairman of the Committee. The other members of the Committee are four non-executive directors (Anne Wade, David Rough, Jeremy Beeton and Toby Hiscock) and the Chief Executive Officer.

The purpose of the Nomination Committee is to consider and make recommendations to the Board concerning all new Board appointments and the retirement of Directors and to make recommendations to the Board relating to the policy for the ongoing education and development of Directors. The Committee uses external search consultants or open advertising for recruitment purposes as deemed most appropriate. When nominating candidates for non-executive directorships, the Committee takes account of the need for diversity and independence.

The Committee keeps under review and evaluates the composition of the Board and its Committees to maintain the most appropriate balance of skills, knowledge, experience and independence to ensure their continued effectiveness.

REMUNERATION COMMITTEE

The Remuneration Committee has four scheduled meetings each year and meets additionally as circumstances require. The Committee met six times during the year. Anne Wade is the Chairman of the Committee. The other members are Jeremy Beeton, Toby Hiscock and David Rough.

The Remuneration Committee sets and monitors the overall remuneration policy for the Executive Directors and other senior executives. The Company has adopted the FCA's Remuneration Code which is applied to those staff involved in regulated activities. The Committee reviews, but does not limit itself to, the following key areas and makes recommendations to the Board accordingly:

- total remuneration (including base pay, bonus and incentive arrangements);
- method of remuneration;
- service contracts;
- terms and conditions and any material changes to the standard terms of employment; and
- approval of financial arrangements proposed by the Chief Executive Officer relating to the termination of Executive Directors' service contracts.

The activities, recommendations and approvals of the Committee are reported to the next routinely scheduled Board meeting.

MANAGEMENT COMMITTEES

In addition to the Executive Committee, which comprises the Executive Directors, the Group Managing Director of Primary Investment, the Group Managing Director of Asset Management and the Group General Counsel and Company Secretary, there are two further management committees.

INVESTMENT COMMITTEE

The purpose of the Investment Committee is to make recommendations to the Board, or to approve proposals within its delegated authority, in relation to the Group's investments in infrastructure projects. The Committee also reviews the Group's portfolio valuation and monitors the balance of risk across the portfolio. The activities, recommendations and approvals of the Committee are reported to the Board. The Committee's delegated authorities are reviewed annually by the Board and are currently set at £30 million for each PPP investment and £20 million for each renewable energy investment (including biomass).

Members of the Committee are appointed by the Board and comprise the Executive Directors, the Group Managing Director of Primary Investment, the Group Managing Director of Asset Management, the Group General Counsel and Company Secretary and such other persons as the Board shall appoint from time to time. The Committee is currently chaired by the Group Managing Director of Asset Management and usually meets at least fortnightly.

RISK COMMITTEE

The Risk Committee's role is to assist the Audit Committee and Board in monitoring financial, legal and regulatory risks, by reviewing the internal control and risk management systems of the Group. The Committee normally meets six times a year.

Members of the Committee are appointed by the Board and comprise at least three members of the senior management team, including the Group Finance Director. The Committee is chaired by the Group Finance Director and its other members are currently the Group General Counsel and Company Secretary, the Group Managing Director of Asset Management and four other senior managers.

AUDIT COMMITTEE REPORT

PURPOSE OF THE COMMITTEE

The Audit Committee's (the Committee) terms of reference include all matters covered by Disclosure and Transparency Rule 7.1 and the Code. Its terms of reference are reviewed at least annually and referred to the Board for approval.

The main responsibilities of the Committee are to:

1. Scrutinise the Group and Company financial statements, preliminary announcements, any trading updates and other public statements relating to financial performance and position;
2. Review the content of the annual and interim report and accounts and advise the Board on whether, as a whole, they are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Group and Company's financial affairs, business model and strategy;
3. Monitor the efficacy of the Group's internal financial and other controls;
4. Monitor the effectiveness of the internal audit function in the context of the Group's risk management systems;
5. Consider and recommend to the Board the appointment, reappointment, resignation or removal of the Group's external auditor, subject to approval by the Company's shareholders at the AGM;
6. Negotiate and agree on behalf of the Board the external auditor's remuneration, including fees for any non-audit services performed;
7. Assess the external auditor's independence and objectivity and the overall effectiveness of the external audit process; and
8. Report to the Board how it has discharged its responsibilities.

COMPOSITION OF THE COMMITTEE

The members of the Committee are all independent non-executive directors who have served throughout the period from Admission in February 2015 until the date of this report. They are:

Toby Hiscock (Chairman)
Jeremy Beeton
David Rough

The Committee Chairman is deemed to have up to date relevant financial experience. Further details on the qualifications and experience of the Audit Committee members can be found on pages 40 and 41 of the Annual Report.

COMMITTEE MEETINGS

The Committee met five times during the year. The Head of Internal Audit and the external auditor attended all meetings, including a private meeting with the Committee without management present.

The Committee Chairman attends each AGM of the Company and is prepared to answer any questions from shareholders on matters falling within the Committee's responsibility.

SIGNIFICANT MATTERS CONSIDERED BY THE COMMITTEE IN RESPECT OF THE 2015 GROUP AND COMPANY FINANCIAL STATEMENTS

1. Pro forma presentation: The Group financial statements include financial statements presented on a pro forma basis that assumes the restructuring relating to the Company's IPO in February 2015 and the Group's current corporate banking facility were in place throughout the financial years ended 31 December 2015 and 31 December 2014. The restructuring and facility are described in the Financial Review section of the Strategic Report and the facility, in further detail, in note 17 to the Group financial statements found on page 93 of this Annual Report. The Committee is satisfied that this presentation is necessary to give a true and fair view of the Group's financial results and position for the reporting period and that it will assist shareholders with their understanding of the business and its financial affairs.
2. Fair value of investments: A full valuation of the Group's investment portfolio is prepared every six months, at 30 June and 31 December each year, with a review at 31 March and 30 September each year, principally using a discounted cash flow methodology. The valuation assumes that the investments and their related cashflows are held until maturity. Changes in the fair value of the investments are recognised in the Group Income Statement in net gains on investments at fair value through profit and loss.

   In preparing the valuation, the key assumptions made by management include:

   i. the forecast cashflows accruing to each investment;
   ii. the macro-economic factors affecting forecast cashflows, such as long term inflation, interest and foreign exchange rates; and
   iii. the discount factors applied to each investment to reflect market and operational risks.

   During 2015 the Committee reviewed and challenged the valuations prepared by management as well as the work performed on them by the external auditor and the Group's independent valuers, a professionally qualified third party.

AUDIT COMMITTEE REPORT (CONTINUED)

3. Retirement benefit obligations: The combined deficit in the Group's defined benefit pension and post-retirement medical schemes is reflected on the Group Balance Sheet in accordance with IAS 19. It is sensitive to assumptions made for future price inflation, discount rates and life expectancy and can, therefore, be volatile, especially in the prevailing uncertain macro-economic environment. A sensitivity table on the deficit has been included in note 19 to the Group financial statements.

   The deficit calculation is prepared by the Company with the benefit of input from the Group's actuarial adviser and is subject to external audit. Following detailed review, the Committee is satisfied that the deficit shown as at 31 December 2015 adequately reflects the Group's net retirement benefit obligations outstanding at that date under IAS 19. Furthermore, the Committee is satisfied that, based on legal advice, there is no minimum funding requirement and consequently no additional pension liability arising under IFRIC 14.

INTERNAL AUDIT

During the year the Committee reviewed and challenged the:

1. Terms of reference of this function;
2. Programme of work undertaken by it; and
3. Reports issued by the Head of Internal Audit, including the adequacy of responses from management to the findings of such reports.

A new Head of Internal Audit recruited during the year has brought several improvements to the function, such as a more focused risk-based coverage plan and a new format for audit reports, some of which were in response to an external review of internal audit effectiveness conducted shortly before the Company's IPO.

The Head of Internal Audit reports directly to the Committee and has access at all times to the Group and Committee Chairmen.

EXTERNAL AUDIT

Deloitte LLP has been the Group's auditor since 2007 and this is its ninth consecutive annual audit. Ross Howard has been the audit engagement partner since December 2008. The maximum period the same engagement partner can serve on a UK listed company audit is five years. However, under present regulation, Ross Howard can continue to serve one more year (2016) beyond the year of the Company's Admission (2015).

The Company is required to tender its audit every ten years, in accordance with the UK Competition and Market Authority's Statutory Audit for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, effective from when the external auditor was first appointed. As Deloitte LLP was first appointed in 2007, the Company needs to undertake an audit tender in or before 2017. It is the Committee's intention to initiate this tender in 2016. There are no contractual restrictions on the Company's choice of auditor.

During the year under review, the Committee considered:

1. Deloitte's planned approach to both the interim and annual accounts;
2. Deloitte's execution of the above approach, including its handling of key accounting and audit judgements, principally the fair value of the Group's investment portfolio and retirement benefit obligations;
3. The content of Deloitte's reporting on internal controls;
4. Deloitte's arrangements to identify, manage and report any of its own conflicts of interest;
5. Deloitte's safeguards over its audit independence and objectivity;
6. The extent and quality of non-audit services provided by Deloitte; and
7. The arrangements for day to day management of the audit relationship.

In addition the Committee reviewed and approved on behalf of the Board the external auditor's remuneration and terms of engagement.

During the year Deloitte provided non-audit services as reporting accountant to the Company's IPO. It was appointed after a competitive tender process. Audit independence and objectivity were safeguarded by ensuring the IPO work was performed by partners and staff of Deloitte with no involvement in the audit of the Group and Company's financial statements.

For the year ended 31 December 2015, the fees paid to Deloitte for audit and non-audit services were:

- Audit: £0.2 million; and
- Non-audit: £1.2 million which includes £1.1 million for reporting accountant and other services in relation to the IPO of the Company in February 2015.

EXTERNAL AUDIT (CONTINUED)

In summary, the Committee is satisfied with the quality of the external audit and has recommended to the Board that Deloitte LLP is reappointed for the year ending 31 December 2016. Deloitte LLP has indicated its willingness to continue in office; a resolution that Deloitte LLP be reappointed will be proposed at the AGM.

OTHER MATTERS

Other matters considered by the Committee during 2015 included, but were not limited to:

1. The constitution and work of the Risk Committee and the effectiveness of the Group's internal controls, including updates to the Group risk register;
2. The assumptions and analysis underlying i) the viability statement required by recent changes to the Code; and ii) adoption of the going concern basis in preparing the financial statements;
3. The Group's taxation exposures and relationships with tax authorities;
4. With the recent recruitment of a dedicated Compliance Officer, the Group's compliance with financial regulation, including anti-bribery, anti-money laundering and whistle-blowing arrangements; and
5. The Group's policies and procedures for preventing and detecting fraud.

After careful observation and enquiry, including testing of evidence provided by management, each of these matters was deemed satisfactory by the Committee.

APPROVED

On behalf of the Audit Committee

Toby Hiscock
CHAIRMAN
7 March 2016

DIRECTORS' REMUNERATION REPORT

Dear Shareholder,

Welcome to our first remuneration report as a newly listed company. The aim of our remuneration policy is to attract, retain and motivate high calibre senior managers. This policy also aims to focus them on the delivery of the strategic and business objectives of the Group, to promote the long-term success of the Company and its affiliates, to create a strong and sustainable performance culture and to align the interests of management with those of shareholders. In promoting these objectives, the remuneration policy has been structured so as to adhere to the principles of good corporate governance. The Remuneration Committee (the Committee), has reviewed the policy put in place at Admission and considers that it continues to remain appropriate.

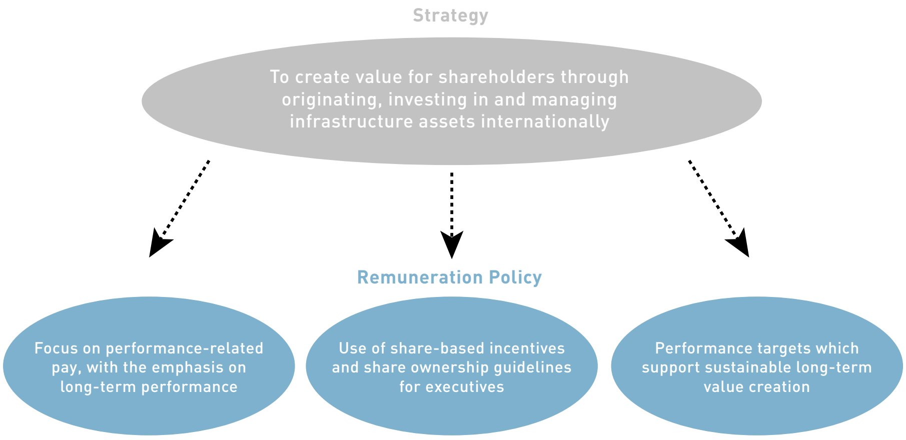
This report is split into two sections:

- Directors' Remuneration Policy – this sets out the remuneration policy for the Executive Directors, Chairman and non-executive directors. The Directors' Remuneration Policy will be put to a binding shareholder vote at the forthcoming AGM; and
- Annual Report on Remuneration – this sets out in detail how the remuneration policy has been applied in 2015, the remuneration received by Directors for the year and how the policy will be applied in 2016. The Annual Report on Remuneration, together with this introductory letter, will be subject to an advisory shareholder vote at the AGM.

REMUNERATION AT A GLANCE

How the remuneration policy supports our business strategy

Our remuneration policy is designed to support the Group's strategy as summarised below:



SUMMARY OF THE CURRENT REMUNERATION ARRANGEMENTS FOR EXECUTIVE DIRECTORS

	Element	Description	Opportunity
Fixed	Base pay	Salaries are set taking into account the experience of the Director, his/her role and responsibilities.	Current salaries are £430,000 for the Chief Executive Officer and £333,000 for the Group Finance Director.
	Benefits	Private medical insurance, life insurance, permanent health insurance and, for Patrick O'D Bourke, a car allowance.	Market competitive.
	Pension	Cash allowance in lieu of pension.	15% of salary.
Variable	Bonus	Annual bonus is determined by reference to corporate and personal performance*. Any bonus above target (60% of salary) is deferred into shares vesting in equal tranches over one, two and three years subject to continued employment.	Up to 100% of salary (60% of salary at target).
	LTIP	Shares vest after three years subject to continued employment and the achievement of NAV per share and Total Shareholder Return (TSR) targets (with 50% of the award on each measure)*. Executive Directors are required to retain the net of tax number of any shares vesting under the LTIP for a further two years post-vesting.	Current award levels are 175% of salary per annum for the Chief Executive Officer and 150% of salary per annum for the Group Finance Director (within a policy maximum of 200% of salary per annum).

* The performance measures for the 2015 Bonus and the 2015 LTIP awards are set out in the Annual Report on Remuneration on page 59.

REMUNERATION RECEIVED BY THE EXECUTIVE DIRECTORS FOR 2015

£'000	Salary	Benefits	Pension[1]	Bonus[2]	Long-Term Incentives	Other[3]	Total
Olivier Brousse	429	2	54	300	nil	750	1,535
Patrick O'D Bourke	333	12	43	233	nil	800	1,421

1 Cash allowance in lieu of pension is paid net of employer's national insurance.

2 Bonuses were based on an assessment of corporate and individual performance objectives (see page 59 for further details).

3 This relates to the vesting of pre-IPO incentive arrangements (see page 59 for further details).

REMUNERATION FOR 2016

In terms of application of the policy for 2016:

- The salaries remain unchanged from those set at IPO.
- The structure and operation of the bonus remain unchanged. The bonus maximum remains 100% of salary. Bonuses will continue to be based on corporate and personal performance. The metrics used to assess corporate performance for 2016 will be:
  - NAV
  - Distributions (excluding from non-portfolio assets)
  - Disposals
  - New investments
  - Value enhancements
  - Profit Before Tax.

  Disclosure of the performance targets used to determine the size of the 2016 bonus awards will be set out in next year's Annual Report on Remuneration.
- Annual LTIP awards will be granted at 175% of salary for the Chief Executive Officer and 150% of salary for the Group Finance Director as in 2015. The awards will continue to be based 50% on relative TSR and 50% on growth in NAV per share. Details of the performance targets to be applied to the 2016 awards are shown on page 62.
- Annual fees for the Chairman and the non-executive directors are the same as those applying for 2015.

SUMMARY

The aim of this report is to communicate how much our Executive Directors are earning and how this is clearly linked to performance. We are committed to maintaining an open and transparent dialogue with shareholders and I welcome any comments you may have.

I very much hope that you will support the resolutions on remuneration at the AGM. We firmly believe that the remuneration policy is right for the Company and that it will continue to motivate and incentivise our senior team to deliver the Company's strategy.

Anne Wade
CHAIRMAN, REMUNERATION COMMITTEE
7 March 2016

DIRECTORS' REMUNERATION REPORT (CONTINUED)

DIRECTORS' REMUNERATION POLICY

This report sets out the remuneration policy for the Directors. The report is subject to a binding vote by shareholders at our forthcoming AGM on 12 May 2016 and will be effective from that date. The policy is consistent with that set out in the Company's Prospectus issued at IPO.

Remuneration policy table

The table below sets out the remuneration policy for the Executive Directors.

Element	Purpose and link to strategy	Operation	Link to performance	Maximum opportunity
Base salary	To provide a core reward for the role at a sufficient level to recruit and retain individuals of the necessary calibre to execute the Company's business strategy.	Reviewed annually by the Committee (with effect from 1 January) or, if appropriate, following a change in an individual's position or responsibilities. Benchmarked periodically against relevant market comparators, including companies of a similar size and complexity and other broadly comparable companies.	Base salary levels are set at a level to reflect the experience, skills and responsibilities of the individual as well as the scope and scale of their role. Increases to base salary will reflect individual performance and contribution as well as the pay and conditions for other employees of the Group.	While there is no maximum salary, increases will normally be in line with the typical level of increase awarded to other employees of the Group. However, increases above this level may be offered in certain circumstances such as where an Executive Director has been promoted, has had a change in responsibilities, to reflect increased experience in the role, or where there has been a significant change in the size and/or scope of the business. For details of salary levels from 1 January 2016 see the Annual Report on Remuneration on page 62.
Benefits	To operate a competitive benefits structure for Executive Directors that aids in their recruitment and retention.	Provision of benefits such as private medical insurance, life insurance, permanent health insurance, company sick pay and a car allowance. Executive Directors are also eligible to participate in any all-employee share plans operated by the Company, in line with HMRC guidelines currently prevailing, on the same basis as other eligible employees. Additional benefits may be provided from time to time if the Committee decides payment of such benefits is appropriate, for example, if this is in line with emerging market practice or to facilitate the relocation of an Executive Director. Each Executive Director is entitled to reimbursement of reasonable expenses incurred by him in the performance of his duties (including any tax payable thereon).	Not applicable	The cost of the benefit provision varies from year-to-year and there is no prescribed maximum limit. The Committee monitors annually the overall cost of the benefits provided to ensure that it remains appropriate.
Pension	To offer market competitive levels of pension and to recognise long-term commitment to the Group.	The Company may provide a cash allowance in lieu of a contribution to a pension scheme, contribute an amount to a money purchase pension scheme or provide for a combination of the two depending on the circumstances of the individual.	Not applicable	15% of salary

Element	Purpose and link to strategy	Operation	Link to performance	Maximum opportunity
Annual bonus	To recognise and reward the delivery of short-term strategic and financial objectives which contribute towards long-term sustainable growth.	The Executive Directors participate in the same overall bonus structure as other Group employees (except for those employees within John Laing Capital Management (JLCM)). The size of the overall Group bonus is determined based on performance against a range of metrics linked to the Group's strategy. The overall bonus is then allocated partly based on Company performance with the remainder based on individual performance. To the extent any bonus exceeds the target amount (60% of salary), the full amount of any excess will be deferred in shares under the Deferred Share Bonus Plan (DSBP). Awards under the DSBP vest in equal tranches on the first, second and third anniversary of grant, normally subject to continued employment. Dividends that accrue on the DSBP shares during the vesting period may be paid in cash and/or shares at the time of vesting. Clawback and, in the case of deferred share awards, malus provisions will apply.	The size of the bonus is assessed by the Committee taking into account performance against a scorecard of corporate metrics. The choice of metrics is reviewed by the Committee at the start of each financial year, with a target range set for each measure. Details of the metrics used to determine the 2015 bonus are set out in the Annual Report on Remuneration on page 59 and the metrics to be used for the 2016 bonus are set out in the Annual Report on Remuneration on page 62. There is no pre-determined weighting between metrics. The Committee uses the scorecard as a guide to help it consider the overall performance of the business and the appropriate size of the overall bonus. The Committee will, in its absolute discretion, take into account all relevant circumstances when determining the size of the overall Group bonus, recognising that, given the long-term nature of the business, timescales on particular projects may be outside management's control. The Committee also has the discretion to reduce the size of the overall Group bonus if it feels that the level of bonus is not supported by the underlying financial and operational performance of the business. Once performance against the corporate metrics has been determined, the calculation of an individual's allocation will be subject to an assessment by the Committee of both Group performance and individual performance. The amount allocated based on individual performance cannot exceed 40% of salary. The Committee may reduce a participant's bonus (including to zero) to reflect adverse events, e.g. health and safety breaches or poor personal performance.	100% of salary (60% of salary for target performance). No more than 25% of salary will be payable for threshold performance.
Long Term Incentive Plan (LTIP)	To incentivise and reward the creation of long-term shareholder value.	At the discretion of the Committee, Executive Directors will receive annual awards of shares in the form of nil (or nominal) cost options or conditional awards which will usually vest on the third anniversary of grant (or, if later, when the Committee determines that the performance conditions have been satisfied). The awards are subject to the achievement of performance and service conditions. Executive Directors are required to retain the net of tax number of any shares vesting under an LTIP award for a further two years post-vesting. Dividends that accrue on the shares during the vesting period may be paid in cash and/or shares at the time of vesting. Clawback and malus provisions apply.	Awards are subject to the achievement of performance targets linked to the long-term success of the Company. These are currently based 50% on growth in NAV per share and 50% on TSR. However, different performance metrics/weightings may be set for future awards to ensure that the LTIP remains aligned to the Company's strategy. A sliding scale of targets is applied for each performance metric, with no more than 25% of that part of the award vesting for achievement of the threshold target.	Up to 200% of salary. It is intended that awards for 2016 will be limited to 175% and 150% of salary for the Chief Executive Officer and Group Finance Director respectively.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

DIRECTORS' REMUNERATION POLICY (CONTINUED)

Shareholding guidelines

The Executive Directors are required to build and maintain a shareholding in the Company equivalent to 100% of their salary and are expected to retain all shares vesting under the DSBP and LTIP (net of tax) until such time as the guideline shareholding has been achieved.

Annual bonus performance metrics

The size of the overall Group bonus is assessed by the Committee taking into account performance against a scorecard of metrics which reflect the growth of the business. The choice of metrics may change for future award cycles, but was based on the following for 2015:

Metric	Link to strategy
NAV	This measures growth in the value of the Group's net assets.
Portfolio value	This measures the book value of the Group's investment portfolio.
Distributions	This reflects the Group's ability to realise cash distributions from its investments.
Disposals	Disposals of existing investments provide additional funding for new investments. Special dividends payable to shareholders are based on disposal proceeds.
New investments	New investments that are designed to contribute to future NAV growth.
Profit Before Tax	This is linked to growth in NAV in any given year and in addition provides an appropriate focus on cost control.

LTIP metrics

Awards under the LTIP vest subject to delivering against measures which are aligned to long-term shareholder value creation. The choice of measure may change for future award cycles, but is currently based on the following:

Metric	Link to strategy
TSR	This measures the total return to shareholders provided through share price appreciation and dividends. TSR is measured relative to performance against a comparative group comprising the members of the FTSE 250 index. TSR provides a clear alignment between the value created for shareholders and the reward earned by executives.
NAV per share	This measures the overall value of the Group's net assets divided by the number of shares in issue and provides an assessment of the growth of the business over time.

Incentive plan operation

The Committee will operate the Company's incentive plans according to their respective rules and consistent with normal market practice, the Listing Rules and HMRC rules where relevant, including flexibility in a number of regards. This includes dealing with leavers and making adjustments to awards following acquisitions, disposals, changes in share capital and other merger and acquisition activity.

The Committee also retains the ability to adjust the targets and/or set different measures for the annual bonus plan and outstanding LTIP awards if events occur which cause it to determine that the conditions are no longer appropriate and the amendment is required so that the conditions achieve their original purpose and are not materially less difficult to satisfy.

Any use of the above discretions would, where relevant, be explained in the Annual Report on Remuneration and may, as appropriate, be the subject of consultation with the Company's major shareholders.

Clawback and malus

The Company has the right to reduce the number of shares over which an award was granted under the DSBP or LTIP where it is discovered that the award was granted over too many shares as a result of a material misstatement in the Company's accounts, when there has been an error or reliance on misleading information when assessing the size of the award that was granted; and/or it is discovered that the participant could reasonably have been dismissed as a result of his/her misconduct.

The Company may also clawback cash bonus awards or previously vested DSBP and LTIP awards in accordance with the principles set out above to ensure that the full value of any overpayment is recouped. In these circumstances the Committee may apply clawback within three years of the payment of the cash bonus, date of grant of a DSBP award or the vesting of an LTIP award.

Shareholder views

The Remuneration Committee values the views of the Company's shareholders and guidance from shareholder representative bodies. Shareholder feedback received in relation to the AGM, as well as any additional feedback received during the year, will be considered as part of the Company's annual remuneration review. The Committee will consult with major shareholders in advance of making any significant changes to remuneration arrangements.

Link to the remuneration policy for all employees

The remuneration policy for the Executive Directors is similar to the policy for employees across the Group, although the Committee does not formally consult with employees in respect of the design of the Directors' remuneration policy.

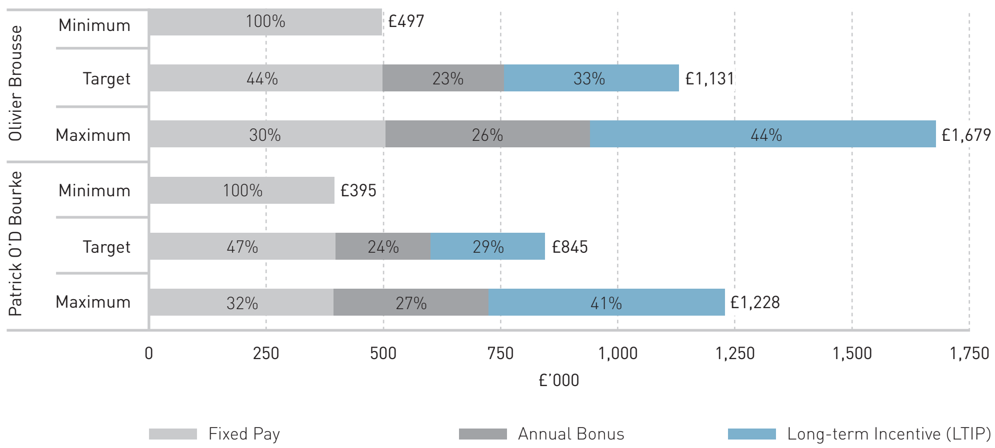
A consistent approach to remuneration is applied across the Group – with the same overarching principle that reward should be sufficient to attract and retain high calibre talent and that reward should support the delivery of the business strategy.

The same approach to salary reviews is applied to all employees and the Executive Directors participate in the same overall bonus structure as other Group employees (except those employees within JLCM). However only the most senior employees are subject to deferral arrangements and some other employees may have a higher weighting on individual performance. The Executive Directors also participate in the same LTIP as other senior executives.

However, there are some differences in the structure of the remuneration policy for the Executive Directors compared to other senior employees, which the Committee believes are necessary to reflect the different levels of responsibility. The two main differences are the increased emphasis on performance-related pay for Executive Directors (through a higher variable pay opportunity) and a greater focus on long-term alignment (through bonus deferral, additional holding periods for LTIP awards and minimum shareholding guidelines).

Remuneration reward scenarios

The total remuneration for each of the Executive Directors that could result from the remuneration policy in 2016 is shown below:



Notes:

1. Fixed pay consists of salary, benefits and pension. Salary to be paid in 2016 and benefits are based on the value shown in the single total figure of remuneration for 2015 on page 58. Pension is shown as 15% of salary.
2. The maximum bonus opportunity is 100% of salary with 60% of salary earned at target performance. Any bonus earned for above target performance is deferred in shares, which vest subject to continued employment over one, two and three years.
3. The maximum LTIP award for 2016 is 175% of salary for the Chief Executive Officer and 150% of salary for the Group Finance Director. An award of 50% of the maximum is assumed for target performance. LTIP awards are subject to a three year performance period and the net of tax number of any shares received must be held for a further two years post vesting.
4. No assumptions are made as to future share price movements which will impact on the actual values to be received under the DSBP and LTIP.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

DIRECTORS' REMUNERATION POLICY (CONTINUED)

Executive Director Recruitment and Promotions

Remuneration arrangements for a new appointment will be set in accordance with the policy for the existing Executive Directors, except as noted below:

- If it is considered appropriate to set the salary for a new Executive Director at a level which is below market, his or her salary may be increased in future periods to achieve the desired market positioning by way of a series of phased above inflation increases, subject to his or her continued development in the role.
- Any bonus payment for the year of joining will normally be pro-rated to reflect the proportion of the period worked and the Committee may set different performance measures and targets, depending on the timing and nature of the appointment.
- In the case of an Executive Director being recruited overseas, being recruited by the Company to relocate overseas or an existing Executive Director being asked to relocate overseas, expatriate benefits may be provided on an ongoing basis. The Committee may also approve the payment of one-off relocation-related expenses and legal fees.
- The Committee may offer cash and/or share-based elements to compensate an individual for remuneration forfeited on leaving a former employer, if it considers these to be in the best interests of the Company (and therefore its shareholders). Such payments would take account of remuneration relinquished and would mirror (as far as possible) the delivery mechanism, time horizons and performance requirement attached to that remuneration. Where possible any such payments would be facilitated through the Company's existing share plans, but, if not, the awards may be granted outside of these plans as permitted under the Listing Rules which allow for the grant of awards to facilitate the recruitment of an Executive Director.
- In the case of an internal appointment, any variable pay element awarded in respect of the prior role will be allowed to pay out according to its original terms or adjusted as considered appropriate to reflect the new role.

Executive Directors' service agreements and payments for loss of office

The Executive Directors entered into new service agreements with the Company on 16 January 2015. There is no fixed term and the contracts continue until terminated by either party giving 12 months' notice.

The Company is also entitled to terminate the Executive Directors' employment by payment of a cash sum in lieu of notice equal to salary and the cost to the Company of providing contractual benefits (including pension but excluding bonus) during what would otherwise have been the notice period. A payment in lieu of notice can, at the Company's discretion, be paid as a lump sum or in equal monthly instalments over the notice period. There is a mechanism in the agreement to reduce the instalments where the Executive Director commences alternative employment during the notice period. Outplacement services and reimbursement of legal costs may also be provided.

The Company may also terminate the Executive Directors' employment with immediate effect and with no liability to make any further payments in certain prescribed circumstances (e.g. in the case of a serious or repeated breach of the Executive Directors' obligations).

The Committee may pay any statutory entitlements or settle or compromise claims in connection with a termination of employment, where considered in the best interest of the Company.

The table below sets out the general position in respect of incentive arrangements for departing Executive Directors. In accordance with the terms of the relevant incentive plan rules, and based on the circumstances of any departure, the Committee has discretion to determine how an Executive Director should be categorised for each element and determine the relevant vesting levels:

	Bad Leaver[1]	**Good Leaver**[2]
Annual Bonus	No entitlement.	Bonus may be payable subject to performance. Awards normally pro-rated based on the period worked during the financial year.
DSBP	Unvested awards will lapse.	Unvested awards will vest on the date of cessation with no pro-rata reduction.
LTIP	Unvested awards will lapse.	Awards will vest on the normal vesting date, subject to performance and a time pro-rata reduction (based on the number of complete months served from the date of grant to cessation of employment). The Committee may, in its absolute discretion, determine that awards can vest, subject to performance, earlier than the normal vesting date and, if a participant dies, the award will ordinarily vest, subject to performance, on the date of death unless the Committee decides it should vest on the normal vesting date. In any of the circumstances described above, the Committee may determine that the pro-rata reduction should not apply at all or should apply to a lesser extent if it considers that exceptional circumstances justify such treatment.

1. e.g. termination for cause etc.
2. e.g. death, injury, disability, redundancy, retirement with the agreement of the participant's employer, the sale of the participant's employer or the business in which he is employed out of the Group or any other reason at the Remuneration Committee's discretion.

Other

In the event of a change of control or voluntary winding-up, unvested LTIP awards will vest at the time of the relevant event subject to performance and a time-based pro-rata reduction (although the Committee may determine that the pro-rata reduction should not apply at all or should apply to a lesser extent if it considers that exceptional circumstances justify such a treatment). Unvested DSBP awards will vest early and in full. The Committee may require LTIP and DSBP awards to be exchanged for equivalent awards over shares in a new holding company if the change of control is part of an internal reorganisation.

In the event that a demerger, special dividend or other similar event is proposed which, in the opinion of the Committee, would affect the price of a share to a material extent, the Committee may decide that unvested LTIP and DSBP wards will vest on the same basis as described above.

External Board Appointments

The Committee recognises that Executive Directors may be invited to become non-executive directors in other companies and that these appointments can enhance their knowledge and experience to the benefit of the Company. It is the Company's policy that Board approval is required before any external appointment may be accepted by an Executive Director. The Executive Director is permitted to retain any fees paid for such services.

Olivier Brousse is a non-executive director of 1001 Fontaines and of Brive Rugby Club. He does not receive any fees for these appointments. Patrick O'D Bourke is a non-executive director of Affinity Water Limited and received fees of £47,000 in 2015.

Remuneration for the Chairman and non-executive directors

	Operation
Fee policy	The Chairman is paid an all-inclusive fee for all Board responsibilities. The other non-executive directors receive a basic Board fee, with supplementary fees payable for additional Board responsibilities (e.g. for Chairmanship of the Audit or Remuneration Committee or the role of Senior Independent Director). The non-executive directors do not participate in any of the Company's incentive arrangements. The maximum aggregate fee is set at £750,000 in the Company's Articles of Association. Current fee levels are set out in the Annual Report on Remuneration on page 58. Fee levels are reviewed on a periodic basis, and may be increased taking into account factors such as the time commitment of the role and market levels in companies of comparable size and complexity and other broadly comparable companies.
Expenses	The Chairman and the non-executive directors are entitled to reimbursement of reasonable expenses (and any tax payable thereon).
Letters of appointment and policy on termination	The letter of appointment for the Chairman states that his appointment is expected to last for at least three years but will be subject to annual re-election at the AGM. The appointment is terminable by either party giving to the other six months' written notice or at any time in accordance with the Articles of Association of the Company (without prejudice to the Chairman's right to receive six months' payment in lieu of notice unless the removal is as a result of a serious default on his part). The appointments of the other non-executive directors are for initial terms of three years. The non-executive directors are subject to annual re-election by the Company's shareholders. Their appointments may be terminated at any time upon written notice or in accordance with the Articles of Association of the Company or upon their resignation. The non-executive directors are not entitled to receive any compensation on termination of their appointment.

Director	Date of letter of appointment*	Unexpired term at 31 December 2015
Dr Phil Nolan	16 January 2015	25 months
Jeremy Beeton	18 December 2014	25 months
Toby Hiscock	16 January 2015	25 months
David Rough	17 December 2014	25 months
Anne Wade	17 December 2014	25 months

* The agreements were conditional on and did not become effective until the Company's admission to the Official List on 17 February 2015.

Recruitment policy	For the appointment of a new Chairman or non-executive director, the fee arrangement would be set in accordance with the approved Remuneration Policy in force at that time.

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Strategic Report
Governance
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DIRECTORS' REMUNERATION REPORT (CONTINUED)

ANNUAL REPORT ON REMUNERATION

This part of the report has been prepared in accordance with Part 3 of the revised Schedule 8 set out in The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, and 9.8.6R of the Listing Rules. The Annual Report on Remuneration will be put to an advisory shareholder vote at the forthcoming AGM.

Remuneration Committee members

Anne Wade (Chairman)
Jeremy Beeton
Toby Hiscock
David Rough

The Committee took effect from Admission. All members of the Committee are independent non-executive directors. Further details on the members of the Committee can be found on pages 40 and 41 of this Annual Report.

Responsibilities

The Committee recommends the Group's policy on executive remuneration, determines the levels of remuneration for the Executive Directors, the Chairman and other senior executives and prepares an Annual Report on Remuneration for approval by shareholders at the AGM. The Committee's terms of reference can be viewed on our website at www.laing.com/investor-relations/corporate-governance. Details of the number of meetings held during the year are shown in the Corporate Governance Report on page 45.

Advisors

The Committee receives information and takes advice from inside and outside the Group. Internal support is provided by the Group HR Director and the Group General Counsel and Company Secretary. The Chairman and Chief Executive Officer are invited to attend meetings where appropriate. No individual is present when matters relating to his/her own remuneration are discussed.

New Bridge Street (NBS) was appointed in early 2015 to act as the independent adviser to the Committee. NBS is a trading name of Aon Hewitt Limited, which is a subsidiary of Aon plc. Fees are normally charged on a time spent basis, with estimates provided in advance for particular projects. The total fees paid to NBS in respect of its services to the Committee during the year were £34,532 plus VAT. NBS also provided advice to the Company during the year in relation to the implementation of the various executive incentive plans. NBS is a signatory to the Remuneration Consultants' Code of Conduct and reports directly to the Chairman of the Committee. The Committee is satisfied that the advice that it receives from NBS is objective and independent.

Directors' single total figure of remuneration for 2015 (audited)

The table below provides a breakdown of the various elements of Director pay for the year ended 31 December 2015. This comprises the total remuneration earned in respect of the period from 1 January 2015 to 31 December 2015, including remuneration received prior to Admission.

As John Laing Group plc was listed during 2015, there is no disclosure in this report of prior year information. In the 2016 report, prior year information will be disclosed.

£'000	Salary/ Fees 2015	Benefits[1] 2015	Pension[2] 2015	Bonus[3] 2015	LTIP[4] 2015	Other[5] 2015	Total 2015
Olivier Brousse	**429**	**2**	**54**	**300**	**nil**	**750**	**1,535**
Patrick O'D Bourke	**333**	**12**	**43**	**233**	**nil**	**800**	**1,421**
Dr Phil Nolan	**173**	**–**	**–**	**–**	**–**	**–**	**–**
David Rough[6]	**55**	**–**	**–**	**–**	**–**	**–**	**–**
Jeremy Beeton[6]	**45**	**–**	**–**	**–**	**–**	**–**	**–**
Toby Hiscock	**60**	**–**	**–**	**–**	**–**	**–**	**–**
Anne Wade[6]	**55**	**–**	**–**	**–**	**–**	**–**	**–**

1. This relates to private health insurance. The figure for Patrick O'D Bourke also includes a car allowance of £10,200.
2. Paid as a cash supplement in lieu of pension.
3. This relates to the bonus awarded for the year ended 31 December 2015. In accordance with the DSBP any amount over 60% of salary awarded in bonus is deferred in shares.
4. The first award under the new LTIP will vest in April 2018 subject to performance over the three years to 31 December 2017.
5. This relates to the vesting of the pre-IPO incentive plans.
6. Appointed to the Board of John Laing Group plc on Admission.
7. Priscilla Davies and Guy Pigache resigned from the Board on 1 October 2015. Neither received any remuneration for their services to the Company.

Details of variable pay earned in the year (audited)

Annual Bonus

The bonus payable for 2015 (excluding JLCM employees) was assessed by the Committee taking into account performance against the following scorecard of metrics:

£'m	Threshold	Target	Stretch	Actual	Narrative
NAV	861	884	947	890	Target
Portfolio value	740	779	857	841	Between Target and Stretch
Distributions (excluding from non-portfolio assets)	24	25	28	39	Above Stretch
Disposals	98	103	113	86	Below Threshold; for explanation see page 11
New investments	165	174	191	181	Between Target and Stretch
Profit before tax	92	96	106	107	Above Stretch

In addition to the overall Company targets, the Executive Directors were given specific individual objectives. For both the Chief Executive Officer and the Group Finance Director these included the Company's successful transition to a listed company including development of good relationships with a diverse shareholder base enabling the smooth transition from Henderson ownership. For the Group Finance Director there were additional objectives around developing the strategy for public financial communication and development of good relationships with shareholders and equity analysts. For the Chief Executive Officer, in addition to oversight of all Group objectives, he was individually tasked with the development of a more performance-related compensation structure for the Company; and oversight of the Company's future investment strategy.

For the Executive Directors, the allocation between corporate and individual objectives was as follows:

	Olivier Brousse	Patrick O'D Bourke	
Corporate (maximum 60% of salary)	**42%**	**42%**	Based on the achievement of the above scorecard of metrics, the Committee determined that the overall bonus payable for corporate performance was 70% of the maximum (i.e. equivalent to 42% of salary for the Executive Directors).
Individual (maximum 40% of salary)	**28%**	**28%**	Taking into account achievement against their specific individual objectives and the overall performance of the Group since IPO, the Committee awarded individual bonuses of 28% of salary to both Executive Directors (out of a maximum of 40% for this element of the bonus).
Total (% of maximum)	**70%**	**70%**	
Total (£000)	**£300**	**£233**	

Bonuses up to 60% of salary are paid in cash with any bonus above this level awarded in the form of deferred shares, vesting in equal tranches over one, two and three years, normally subject to continued employment. The deferred shares will be awarded as soon as practicable following the announcement of results in March 2016.

Pre-IPO incentive plans

Both Olivier Brousse and Patrick O'D Bourke participated in existing long-term pre-IPO incentive arrangements as set out in the Prospectus.

Under the terms of the exit-related incentive plan, Olivier Brousse and Patrick O'D Bourke were entitled to receive cash payments of £750,000 and £500,000 respectively. 50% was payable on Admission, with the remainder payable on the first anniversary (subject to continued employment only). These have both now been paid and are included in the single figure table for 2015.

Patrick O'D Bourke was also entitled to receive outstanding deferred amounts under prior long-term incentive plan arrangements that were discontinued on Admission (relating to awards made in 2011, 2012 and 2013). 50% was payable on Admission, with the remainder payable on the first anniversary (subject to continued employment). The total amount payable was £545,000, of which £300,000 was performance related and has been included in the single figure table for 2015.

Olivier Brousse and Patrick O'D Bourke each subscribed for shares worth £100,000 on Admission and agreed, to the extent that they had not yet reached their individual shareholding guideline, to invest 50% of the net payment that vested on the first anniversary of Admission in further shares. Details of the Directors' current shareholdings and achievement against their guideline limits are set out on page 61.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

ANNUAL REPORT ON REMUNERATION (CONTINUED)

Details of long-term incentive awards granted in the year (audited)

The following awards were granted to the Executive Directors during the financial year:

	Type of award	Award size	Face value[1]	Number of shares	Grant date	Performance period	Performance targets
Olivier Brousse	LTIP (nil cost option)	175% salary	£752,500	342,820	16 April 2015	16 April 2015 to 15 April 2018 for TSR	50% based on relative TSR and 50% based on NAV per share.
Patrick O'D Bourke	LTIP (nil cost option)	150% salary	£499,500	227,560	16 April 2015	1 January 2015 to 31 December 2017 for NAV	50% based on relative TSR and 50% based on NAV per share.

1. Calculated using the middle market share price on the day preceding the date of grant which was 219.5 pence.

The performance conditions attached to the awards are:

- 50% is based on TSR performance against a comparator group comprising the members of the FTSE 250 index. 25% of the shares in this tranche will vest for median performance with full vesting for upper quartile performance or above (straight line vesting between these points).
- 50% is based on the annual compound growth in the Company's NAV per share. NAV will be based on the figures reported in the Company's annual financial statements but adjusted to include the value of any dividends paid to or approved by shareholders during the three year performance period. The NAV figures may also be adjusted at the discretion of the Committee to reflect any regulatory or accounting changes or any changes to the Company's share capital. 25% of the shares in this tranche will vest for 12% p.a. growth, with full vesting for 18% p.a. growth or above (straight line vesting between these points). The base year for the measurement of the growth in the value of NAV is the 2014 financial year for which the NAV value was 210p per share which includes the funds raised in the Company's IPO in February 2015.

The awards were structured as nil cost options and will normally vest on the later of the third anniversary of grant and the determination of the performance conditions, and will then normally remain exercisable until the day before the tenth anniversary of the date of grant provided the individual remains an employee or officer of the Group. The Executive Directors may not sell shares vesting under the LTIP (other than for tax) within two years of vesting.

Chairman and non-executive director fees

The current fee policy for the Chairman and non-executive directors is set out below:

	Fee
Chairman	£180,000
Non-executive directors:	
Base fee	£45,000
Additional fees for:	
– Chairing the Audit Committee	£15,000
– Chairing the Remuneration Committee	£10,000
– Senior Independent Director	£10,000

In addition, the Chairman and the non-executive directors are entitled to reimbursement of reasonable expenses.

Directors' shareholdings (audited)

The following table sets out a summary of the Directors' interests in shares (including any interests held by connected persons).

	No. of shares owned immediately following Admission	No. of shares owned on 31 December 2015	Other interests in shares (outstanding LTIP awards)	Total interest in shares as at 31 December 2015
Olivier Brousse	51,282	96,282	342,820	439,102
Patrick O'D Bourke	51,282	76,282	227,560	303,842
Dr Phil Nolan	10,256	110,256	–	110,256
David Rough	10,256	35,256	–	35,256
Jeremy Beeton	10,256	10,256	–	10,256
Toby Hiscock	10,256	10,256	–	10,256
Anne Wade	10,256	10,256	–	10,256

Priscilla Davies and Guy Pigache resigned from the Board on 1 October 2015. Neither Director held shares in the Company.

Between 31 December 2015 and the date of this report Jeremy Beeton bought 4,000 shares increasing his interest in shares to 14,256. Also during this period Anne Wade bought 10,000 shares increasing her interest in shares to 20,256.

The guideline shareholding for Executive Directors is 100% of salary. At 31 December 2015, Olivier Brousse and Patrick O'D Bourke held shares worth 47.0% and 48.1% of salary respectively. They have agreed to invest 50% of the (net of tax) payment vesting on the first anniversary of Admission under the pre-IPO incentive plans in shares and are expected to retain all shares vesting under the DSBP and LTIP (net of tax) until such time as the guideline holding has been achieved.

Payments to past Directors (audited)

There were no payments to past Directors during the year.

Payments for loss of office (audited)

No payments have been made for loss of office in the year.

Relative importance of the spend on pay

The table below shows the Group's spend on pay compared with distributions to shareholders.

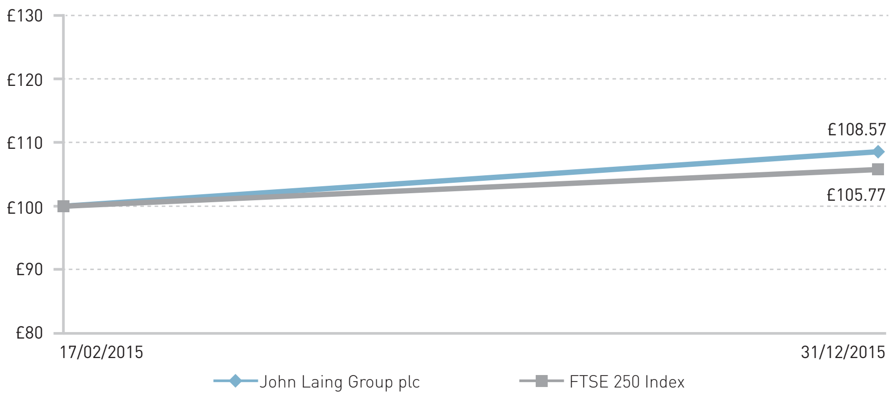
£'m	2015
Remuneration paid to or receivable by all employees	**36.5**
Distributions to shareholders by way of dividends	**5.9**
Distributions to shareholders by way of share buy-backs	**Nil**

Percentage change in the remuneration of the Director undertaking the role of Chief Executive Officer compared to the average for other employees

Prior to the IPO, employees, including the Chief Executive Officer, were employed by group companies other than John Laing Group plc. It is therefore not possible to provide meaningful comparative data for 2015, for which the Company was only listed for part of the year. However, full disclosure of the year-on-year movement will be provided in future remuneration reports.

Performance graph

The graph below shows the Company's performance, measured by TSR, compared with the performance of the FTSE 250 Index for the period from Admission to 31 December 2015. This comparator has been chosen as it is a broad equity index of which the Company is a constituent and it is also the one used in assessing relative TSR performance under the LTIP.



The chart shows the value (as at 31 December 2015) of £100 invested in John Laing Group plc on the date of Admission (17 February 2015) compared to £100 invested in the FTSE 250 Index on the same day.

DIRECTORS' REMUNERATION REPORT (CONTINUED)

ANNUAL REPORT ON REMUNERATION (CONTINUED)

The total remuneration figure for the Chief Executive Officer for 2015 is shown in the table below. The annual bonus and long-term incentive award vesting level as a percentage of the maximum opportunity are also disclosed.

	2015
Total Remuneration (£'000)	**1,535**
Annual bonus (% of maximum)	**70%**
LTIP (% of maximum)	**n/a**

Application of the Remuneration Policy for 2016

A summary of how the remuneration policy will be applied during the forthcoming year is set out below:

<table>
<tr><td>Salaries for Executive Directors</td><td>Olivier Brousse – £430,000 (no increase)
Patrick O'D Bourke – £333,000 (no increase)
Salaries were reviewed in March 2016 and the Committee determined to maintain them at their current level.</td></tr>
<tr><td>Benefits and Pension</td><td>No change</td></tr>
<tr><td>2016 Bonus</td><td>There is no change to the structure of the bonus for 2016. Bonuses will be awarded based on a mix of corporate and personal performance. Corporate performance will be assessed taking into account NAV, distributions (excluding from non-portfolio assets), disposals, new investments, value enhancements and profit before tax. The performance targets for 2016 are deemed to be commercially sensitive and will be disclosed in next year's Annual Report on Remuneration.</td></tr>
<tr><td>2016 LTIP</td><td>LTIP awards granted to the Chief Executive Officer and Group Finance Director in 2016 will be over shares worth 175% and 150% of salary respectively (the same as 2015). Performance will be measured over three years subject to the following conditions (with an equal weighting on each measure):
<table>
<tr><th>Performance condition</th><th>Threshold (25% vesting)</th><th>Maximum (100% vesting)</th></tr>
<tr><td>Growth in NAV per share</td><td>12% p.a.</td><td>18% p.a.</td></tr>
<tr><td>TSR relative to the constituents of the FTSE 250 Index</td><td>Median performance</td><td>Upper Quartile performance</td></tr>
</table>
There will be straight-line vesting between these points.</td></tr>
<tr><td>Chairman and non-executive director fees</td><td>The Chairman and non-executive director fees have not been increased for 2016. A summary of the current fee policy is set out on page 57.</td></tr>
</table>

By order of the Board

Anne Wade
CHAIRMAN OF THE REMUNERATION COMMITTEE
7 March 2016

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and Article 4 of the IAS Regulation and have also chosen to prepare the parent company financial statements under IFRS as adopted by the EU. Under company law the Directors must not approve the accounts 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, International Accounting Standard 1 requires that the Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 7 March 2016 and is signed on its behalf by:

Olivier Brousse
CHIEF EXECUTIVE OFFICER
7 March 2016

Patrick O'D Bourke
GROUP FINANCE DIRECTOR
7 March 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN LAING GROUP PLC

OPINION ON THE FINANCIAL STATEMENTS OF JOHN LAING GROUP PLC

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statements of Changes in Equity, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and the related notes 1 to 29 of the Group financial statements and notes 1 to 13 of the Company financial statements. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

GOING CONCERN AND THE DIRECTORS' ASSESSMENT OF THE PRINCIPAL RISKS THAT WOULD THREATEN THE SOLVENCY OR LIQUIDITY OF THE GROUP

As required by the Listing Rules we have reviewed the Directors' statement regarding the appropriateness of the going concern basis of accounting contained within note 2d to the Group financial statements and the Directors' statement on the longer-term viability of the Group contained within the Strategic Report on page 31.

We have nothing material to add or draw attention to in relation to:

- the Directors' confirmation on page 32 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures on pages 32 to 36 that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in note 2d to the Group financial statements that they consider it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- the Director's explanation on page 31 as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We agreed with the Directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

INDEPENDENCE

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the Group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

Risk	How the scope of our audit responded to the risk
Valuation of investments The Group holds a range of investments which primarily include PPP and renewable energy assets. The total value of these assets at 31 December 2015 was £825.8 million (31 December 2014: £706.7 million) as disclosed in note 12 to the Group financial statements. This excludes the listed equity shareholding in JLEN. These underlying assets are held across a range of different sectors comprising Transport, Environmental (including Renewable Energy) and Social Infrastructure, and a range of geographies including the UK, Europe, North America and Asia Pacific. The valuation of these investments is a significant judgement underpinned by a number of key assumptions and estimates. These judgements include forecast cash flows (including the ability of the Group to achieve value enhancements), discount rates and macro-economic assumptions such as future inflation rates and tax rates. Many of these assumptions differ depending on both the sector and geography of the project. A full internal valuation is prepared at June and December each year and this valuation is incorporated into the financial statements. An independent opinion is obtained from an external valuer that the portfolio as a whole represents fair value. More information on the valuation and valuation methodology can be found on page 23 and notes 1 and 12 to the Group financial statements.	• We assessed the design and implementation of the controls in place when valuing the Group's investments. • We reviewed and challenged the cash flows incorporated in a sample of project financial models. • We obtained evidence, including external market data, to substantiate key assumptions including project discount rate(s) and macro-economic assumptions such as forecast tax and inflation rates. We also obtained evidence, such as contractual documentation, to substantiate the ability of the Group to achieve value enhancements which include improvements in project revenues and reductions in project costs. • We benchmarked management's discount rates against market transaction data, including the Group's disposals in the current and previous period. We performed this work in conjunction with our own valuation specialists. • We met with the Group's external valuer to understand and challenge the process undertaken by them in arriving at their opinion that the portfolio as a whole represents fair value. We also assessed the competency and independence of the external valuer. • We checked that the disclosures in the financial statements were appropriate.
Valuation of the defined benefit pension schemes The Group has two defined benefit pension schemes (The John Laing Pension Fund and the John Laing Pension Plan) which had a combined deficit of £38.9 million at 31 December 2015 (£177.6 million at 31 December 2014). During the year the Group made a special contribution to the John Laing Pension Fund of £100 million, comprising both cash and investments, and a regular contribution of £27 million. The valuation of the deficit is subject to a number of judgements including (i) discount rates (ii) inflation rates and (iii) mortality assumptions. There is also a judgement concerning the Group's ability to recover a surplus under the scheme rules and consequently the consideration of minimum funding requirements under IFRIC14 'The Limit on a Defined Benefit Asset, Minimum Funding Requirement'. See note 19 for further information.	• We assessed the design and implementation of the controls in place when valuing the Group's defined benefit pension schemes including the setting of actuarial assumptions. • In conjunction with our internal actuarial specialists, we compared the Group's key assumptions including the discount rate, mortality rate assumptions and the inflation rates against our own benchmarks and those adopted by other companies in the market. • We audited the scheme assets via agreement to external confirmations from the custodian and also agreed a sample of scheme assets back to independent market data. We also obtained and reviewed the AAF 01/06/ISAE 3402 assurance report on internal controls for each custodian to assess if there were any matters which impact our work. • In assessing the impact of IFRIC14, we examined the nature of the Group's funding commitments to the schemes and reviewed the scheme rules, the external legal advice obtained by management and the actuarial schedule of contributions. • We checked that the disclosure requirements of IAS19R Employee Benefits had been fulfilled.

The list of risks included above is consistent with our report issued last year. The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee and discussed on pages 47 to 48.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JOHN LAING GROUP PLC
(CONTINUED)

OUR APPLICATION OF MATERIALITY

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be £16 million (2014: £12 million), which is below 2% (2014: 2%) of shareholders' equity. We selected shareholders' equity as net asset value is a key performance indicator for the Group.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £320,000 (2014: £240,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our audit scope primarily focused on the fair value of those PPP and renewable energy investments which are significant to the Group. Audit work was performed on a sample of investments which comprised 85% (2014: 92%) of the total valuation of investments. Other investments were subject to review procedures.

We made enquiries of the auditors of a sample of investments where the Group's investment when planning our audit was greater than £32 million (which covered 55% of the value of the portfolio) as to whether they were aware of any matters which may impact the fair value of those investments.

Our audit work on those subsidiaries which provide asset management services and are consolidated was executed at a materiality lower than Group materiality.

At the Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining subsidiaries not subject to audit or audit of specified account balances.

The Group audit team has initiated a programme of planned visits that has been designed so that the Group audit team visits a sample of the Group's investments each year. This year the Group audit team visited four of the Group's investments.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and 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

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review part of the Corporate Governance Report relating to the Company's compliance with certain provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

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). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards and independent partner reviews.

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.

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 Group and the parent 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 with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Ross Howard FCA (Senior statutory auditor)
FOR AND ON BEHALF OF DELOITTE LLP
CHARTERED ACCOUNTANTS AND STATUTORY AUDITOR
LONDON, UNITED KINGDOM
7 March 2016

GROUP INCOME STATEMENT

for the year ended 31 December 2015

	Notes	Year ended 31 December 2015 Pro forma £ million	Year ended 31 December 2015 Statutory £ million	Year ended 31 December 2014 Pro forma £ million	Year ended 31 December 2014 Statutory £ million
Continuing operations					
Net gain on investments at fair value through profit or loss	12	**133.1**	**129.7**	168.3	–
Other income	6	**34.5**	**31.5**	38.3	–
Operating income	3	**167.6**	**161.2**	206.6	–
Cost of sales		**(0.1)**	**(0.1)**	(0.4)	–
Gross profit		**167.5**	**161.1**	206.2	–
Administrative expenses		**(55.3)**	**(52.3)**	(60.1)	–
Profit from operations	7	**112.2**	**108.8**	146.1	–
Finance costs	9	**(11.3)**	**(11.3)**	(25.7)	–
Profit before tax		**100.9**	**97.5**	120.4	–
Tax (charge)/credit	10	**(2.1)**	**(2.1)**	0.2	–
Profit from continuing operations		**98.8**	**95.4**	120.6	–
Discontinued operations					
Profit/(loss) from discontinued operations (after tax)	11	**5.7**	**5.7**	(0.1)	–
Profit for the year attributable to the Shareholders of the Company		**104.5**	**101.1**	120.5	–
Earnings per share (pence)					
From continuing operations					
Basic	4	**27.6**	**28.3**	40.2	–
Diluted	4	**27.5**	**28.2**	40.2	–
From continuing and discontinued operations					
Basic	4	**29.2**	**30.0**	40.2	–
Diluted	4	**29.1**	**29.9**	40.2	–

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2015

	Notes	Year ended 31 December 2015 Pro forma £ million	Year ended 31 December 2015 Statutory £ million	Year ended 31 December 2014 Pro forma £ million	Year ended 31 December 2014 Statutory £ million
Profit for the year		**104.5**	**101.1**	120.5	–
Exchange differences on translation of overseas operations		**–**	**–**	(0.3)	–
Actuarial gain on retirement benefit obligations	19	**15.8**	**39.0**	1.6	–
Other comprehensive income for the year		**15.8**	**39.0**	1.3	–
Total comprehensive income for the year		**120.3**	**140.1**	121.8	–

The only movement which could subsequently be recycled to the Group Income Statement is the exchange difference on translation of overseas operations.

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2015

PRO FORMA

	Notes	Share capital £ million	Share premium £ million	Other reserves £ million	Retained earnings £ million	Total equity £ million
Balance at 1 January 2015		**30.0**	**100.0**	**–**	**519.8**	**649.8**
Profit for the year		**–**	**–**	**–**	**104.5**	**104.5**
Other comprehensive income for the year		**–**	**–**	**–**	**15.8**	**15.8**
Total comprehensive income for the year		**–**	**–**	**–**	**120.3**	**120.3**
Shares issued in the year	21, 22	**6.7**	**123.8**	**–**	**–**	**130.5**
Costs associated with the issue of shares	22	**–**	**(5.8)**	**–**	**–**	**(5.8)**
Share-based incentives	5	**–**	**–**	**0.7**	**–**	**0.7**
Dividends paid		**–**	**–**	**–**	**(5.9)**	**(5.9)**
Balance at 31 December 2015		**36.7**	**218.0**	**0.7**	**634.2**	**889.6**

	Share capital £ million	Share premium £ million	Other reserves £ million	Retained earnings £ million	Total equity £ million
Balance at 1 January 2014	30.0	100.0	–	398.0	528.0
Profit for the year	–	–	–	120.5	120.5
Other comprehensive income for the year	–	–	–	1.3	1.3
Total comprehensive income for the year	–	–	–	121.8	121.8
Balance at 31 December 2014	30.0	100.0	–	519.8	649.8

	Year ended 31 December 2015 pence	Year ended 31 December 2014 pence
Dividends on ordinary shares		
Per ordinary share:		
– interim paid	**1.6**	–
– final proposed	**5.3**	–

STATUTORY

	Notes	Share capital £ million	Share premium £ million	Other reserves £ million	Retained earnings £ million	Total equity £ million
Balance at 1 January 2015		**–**	**–**	**–**	**–**	**–**
Profit for the year		**–**	**–**	**–**	**101.1**	**101.1**
Other comprehensive income for the year		**–**	**–**	**–**	**39.0**	**39.0**
Total comprehensive income for the year		**–**	**–**	**–**	**140.1**	**140.1**
Shares issued in the year	21, 22	**36.7**	**723.8**	**–**	**–**	**760.5**
Costs associated with the issue of shares	22	**–**	**(5.8)**	**–**	**–**	**(5.8)**
Reduction of share premium account	22	**–**	**(500.0)**	**–**	**500.0**	**–**
Share-based incentives	5	**–**	**–**	**0.7**	**–**	**0.7**
Dividends paid		**–**	**–**	**–**	**(5.9)**	**(5.9)**
Balance at 31 December 2015		**36.7**	**218.0**	**0.7**	**634.2**	**889.6**

	Share capital £ million	Share premium £ million	Other reserves £ million	Retained earnings £ million	Total equity £ million
Balance at 1 January 2014	–	–	–	–	–
Profit for the year	–	–	–	–	–
Other comprehensive income for the year	–	–	–	–	–
Total comprehensive income for the year	–	–	–	–	–
Balance at 31 December 2014	–	–	–	–	–

GROUP BALANCE SHEET
as at 31 December 2015

	Notes	31 December 2015 Pro forma and Statutory £ million	31 December 2014 Pro forma £ million	31 December 2014 Statutory £ million
Non-current assets				
Intangible assets		**0.2**	0.8	–
Plant and equipment		**1.0**	1.1	–
Investments at fair value through profit or loss	12	**965.3**	858.2	–
Deferred tax assets	18	**1.4**	1.5	–
		967.9	861.6	–
Current assets				
Trade and other receivables	13	**8.3**	9.2	–
Cash and cash equivalents	24	**1.1**	2.1	–
		9.4	11.3	–
Assets classified as held for sale	11	**–**	0.1	–
Total assets		**977.3**	873.0	–
Current liabilities				
Current tax liabilities		**(2.7)**	–	–
Borrowings	15	**(14.9)**	–	–
Trade and other payables	14	**(19.6)**	(26.5)	–
		(37.2)	(26.5)	–
Liabilities directly associated with assets classified as held for sale	11	**(4.2)**	(8.8)	–
Net current liabilities		**(32.0)**	(23.9)	–
Non-current liabilities				
Retirement benefit obligations	19	**(46.2)**	(185.8)	–
Provisions	20	**(0.1)**	(2.1)	–
		(46.3)	(187.9)	–
Total liabilities		**(87.7)**	(223.2)	–
Net assets		**889.6**	649.8	–
Equity				
Share capital	21	**36.7**	30.0	–
Share premium	22	**218.0**	100.0	–
Other reserves		**0.7**	–	–
Retained earnings		**634.2**	519.8	–
Equity attributable to the Shareholders of the Company		**889.6**	649.8	–

The statutory net assets at 31 December 2014 were £77. At 31 December 2014 there were total assets of £1,077 and total liabilities of £1,000.

The financial statements of John Laing Group plc, registered number 5975300, were approved by the Board of Directors and authorised for issue on 7 March 2016. They were signed on its behalf by:

Olivier Brousse
CHIEF EXECUTIVE OFFICER
7 March 2016

Patrick O'D Bourke
GROUP FINANCE DIRECTOR
7 March 2016

GROUP CASH FLOW STATEMENT

for the year ended 31 December 2015

	Notes	Year ended 31 December 2015 Pro forma £ million	Year ended 31 December 2015 Statutory £ million	Year ended 31 December 2014 Pro forma £ million	Year ended 31 December 2014 Statutory £ million
Net cash outflow from operating activities	23	**(70.5)**	**(70.5)**	(41.3)	–
Investing activities					
Net cash transferred (to)/from investments held at fair value through profit or loss	12	**(54.0)**	**(54.0)**	56.0	–
Cash acquired on acquisition of subsidiaries		**–**	**2.2**	–	–
Purchase of plant and equipment		**(0.6)**	**(0.6)**	–	–
Net cash (used in)/from investing activities		**(54.6)**	**(52.4)**	56.0	–
Financing activities					
Dividends paid		**(5.9)**	**(5.9)**	–	–
Finance costs paid		**(13.7)**	**(13.7)**	(9.0)	–
Proceeds from borrowings		**50.0**	**50.0**	47.5	–
Repayment of borrowings		**(31.0)**	**(31.0)**	(53.5)	–
Proceeds on issue of share capital		**124.7**	**124.7**	–	–
Net cash from/(used in) financing activities		**124.1**	**124.1**	(15.0)	–
Net (decrease)/increase in cash and cash equivalents		**(1.0)**	**1.2**	(0.3)	–
Cash and cash equivalents at beginning of the year		**2.2**	**–**	2.3	–
Effect of foreign exchange rate changes		**(0.1)**	**(0.1)**	0.2	–
Cash and cash equivalents at end of year	24	**1.1**	**1.1**	2.2	–

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2015

1 GENERAL INFORMATION

The pro forma and statutory results of John Laing Group plc (the "Company" or the "Group") (formerly Henderson Infrastructure Holdco (UK) Limited) are stated according to the basis of preparation described below. The registered office of the Company is 1 Kingsway, London, WC2B 6AN. The principal activity of the Company is the origination, investment in and management of international infrastructure projects.

The pro forma and statutory financial information is presented in pounds sterling and prepared in accordance with IFRS as adopted by the EU. The statutory financial statements on a Company-only basis can be found on pages 112 to 119.

2 ACCOUNTING POLICIES

a) Basis of preparation

As at 31 December 2014, the Company did not constitute a group as it held only 22.46% of John Laing Holdco Limited (formerly Henderson Infrastructure Holdco Limited), the holding company of John Laing Limited (formerly John Laing plc). On 27 January 2015 prior to the Company's Admission in February 2015, a restructuring occurred which included the Company becoming the sole shareholder of John Laing Holdco Limited. On 17 February 2015, the legal ownership of certain Service Companies in the John Laing Holdco Limited sub-group was transferred to the Company. Service Companies are explained in note 2c.

The Company was unable to produce group accounts or show financial information in respect of the newly formed group within its statutory results for the year ended 31 December 2014. Nonetheless, the Directors decided to prepare pro forma financial information for 2014 on the basis that the restructuring described above had occurred on 1 January 2013 and had been in place throughout the year ended 31 December 2014. In the opinion of the Directors, this information was necessary in order to give a true and fair view of the Company's affairs.

For the year ended 31 December 2015, there is no difference between the pro forma and statutory balance sheets as at 31 December 2015. However, there is a difference in the income statement relating to the 27 day period between 1 January 2015 and 27 January 2015 when the Company only owned 22.46% of the John Laing Holdco Limited group (the Company acquired the remaining 77.54% of the John Laing Holdco Limited group on 27 January 2015). The difference primarily relates to the deficit on the Group's pension schemes, held at the time in the John Laing Holdco Limited sub-group, at 27 January 2015 compared to 1 January 2015, due to an adverse movement in discount rates between these dates. Pro forma and statutory information has therefore both been presented in the Group Income Statement for the year ended 31 December 2015. This is the last year for which pro forma financial information will be presented.

The financial statements have been prepared on an investment entity basis (see note 2c) and in accordance with the historical cost convention except for the revaluation of the investment portfolio and financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies.

b) Adoption of new and revised standards

The Group has adopted the amendments resulting from Annual Improvements to IFRS (2010 – 2012) and (2011 – 2013) which have had no material impact on the Group financial statements for the year ended 31 December 2015.

At the date of authorisation of these financial statements, there are a number of standards and interpretations which have not yet been applied which are in issue but not yet effective and in some cases had not yet been adopted by the EU. These include:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases
- Amendments to:
  - IFRS 10 Consolidated Financial Statements;
  - IFRS 11 Joint Arrangements;
  - IFRS 12 Disclosure of Interests in Other Entities; and
  - IAS 28 Investments in Associates
- Amendments arising from the Annual Improvements to IFRS (2012 – 2014) Cycle.

With the exception of IFRS 9 Financial Instruments, the Directors do not anticipate that the adoption of these standards will have a material impact on the financial statements of the Group in future reporting periods. The adoption of IFRS 9, when it becomes mandatory, will have an impact on the classification and disclosures of financial instruments.

The principal accounting policies applied in the preparation of these Group financial statements are set out below. These policies have been applied consistently to all the years presented, unless otherwise stated.

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

2 ACCOUNTING POLICIES (CONTINUED)

c) Application of investment entity guidance

Following EU endorsement of Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) in November 2013, the Group concluded that the Company met the definition of an investment entity. The Group also adopted the amendments to IFRS 12 and IAS 27 which are applicable to an investment entity. Following adoption of these standards, the Group, as an investment entity, measures all its investments in investment entity subsidiaries, through which it holds investments in project companies and other investments, at fair value through profit or loss (FVTPL), in accordance with IAS 39 Financial Instruments: Recognition and Measurement (to be replaced by IFRS 9 Financial Instruments when it becomes effective).

The Company consolidates those directly owned subsidiaries which provide services in relation to the Group's investment activities (Service Companies). Those subsidiaries include Laing Investments Management Services Limited, John Laing Capital Management Limited and John Laing Services Limited.

d) Going concern

The Directors have reviewed the Group's financial projections and cash flow forecasts and believe, based on those projections and forecasts, that it is appropriate to prepare the financial statements of the Group on the going concern basis.

In arriving at their conclusion, the Directors took into account the Group's approach to liquidity and cash flow management and the availability of its £350.0 million corporate banking facilities committed until March 2020. The Directors are of the opinion that, based on the Group's forecasts and projections and taking account of expected bidding activity and operational performance, the Group will be able to operate within its bank facilities and comply with the financial covenants therein for the foreseeable future.

In determining that the Group is a going concern, certain risks and uncertainties, some of which arise or increase as a result of the economic environment in some of the Group's markets, have been considered. The Directors believe that the Group is adequately placed to manage these risks. The most important risks and uncertainties identified and considered by the Directors are set out in the Principal Risks and Risk Management section on pages 32 to 36. In addition, the Group's policies for management of its exposure to financial risks, including liquidity, foreign exchange, credit and interest rate risks, are set out in note 17.

e) Dividend income

Dividend income from investments at FVTPL is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Dividend income is recognised gross of withholding tax, if any, and only when approved and paid by the investee.

f) Dividend payments

Dividends on the Company's ordinary shares are recognised when they have been appropriately authorised and are no longer at the Company's discretion. Accordingly, interim dividends are recognised when they are paid and final dividends are recognised when they are declared following approval by shareholders at the Company's AGM. Dividends are recognised as an appropriation of shareholders' funds.

g) Net gain on investments at FVTPL

Net gain on investments at FVTPL excludes dividend income referred to above. Please refer to accounting policy i)(i) for further detail.

h) Other income

The Group earns income from the following sources:

(i) Fees from asset management services

Fees from asset management services to projects in the Group's investment portfolio and to external parties are recognised as services are provided in accordance with IAS 18 Revenue.

When it is probable that the expected outcome over the life of a management services contract will result in a net outflow of economic benefits or overall loss, a provision is recognised immediately. The provision is determined based on the net present value of the expected future cash inflows and outflows.

(ii) Recovery of bid costs on financial close

Bid costs in respect of primary investments are charged to the Group Income Statement until such time as the Group is virtually certain that it will recover the costs. Virtual certainty is generally achieved when an agreement is in place demonstrating that costs are fully recoverable even in the event of cancellation of a project. From the point of virtual certainty, bid costs are held in the Group Balance Sheet as a debtor prior to achieving financial close. On financial close, the Group recovers bid costs by charging a fee to the relevant project company in the investment portfolio.

Other income excludes the value of intra-group transactions and VAT and includes revenue derived from the provision of services by Service Companies to project companies which are held at FVTPL.

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

2 ACCOUNTING POLICIES (CONTINUED)

i) Financial instruments

Financial assets and financial liabilities are recognised on the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition in accordance with IAS 39 Financial Instruments: Recognition and Measurement and IFRS 13 Fair Value Measurement.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

(i) Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets at FVTPL; 'held-to-maturity' investments; 'available-for-sale' financial assets; and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The financial assets that the Group holds are classified as financial assets at FVTPL and loans and receivables:

- Financial assets at FVTPL comprise investments at FVTPL which include investments in project companies, investments in listed companies and other assets and liabilities of investment entity subsidiaries. Investments in project companies and in listed companies are designated upon initial recognition as financial assets at FVTPL. Subsequent to initial recognition, investments in project companies are measured on a combined basis at fair value using discounted cash flow methodology. Investments in listed investments are valued at the quoted market price at the end of the period.

  The Directors consider that the carrying value of other assets and liabilities held in investment entity subsidiaries at FVTPL approximates to their fair value.

  Changes in fair value are recognised within operating income in the Group Income Statement.

- Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial. Loans and receivables are included in current assets, except for maturities greater than 12 months after the balance sheet date which are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the Group Balance Sheet.

(ii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indications of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events which have occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

(iii) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

2 ACCOUNTING POLICIES (CONTINUED)

i) Financial instruments (continued)

(iv) Financial liabilities

Interest bearing bank loans and borrowings are initially recorded at fair value, being the proceeds received, net of direct issue costs and subsequently at amortised cost using the effective interest rate method. Finance charges, including premiums payable on settlement or redemption, and direct issue costs are accounted for on an accruals basis in the Group Income Statement and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Other non-derivative financial instruments are measured at amortised cost using the effective interest method less any impairment losses.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

(v) Derivative financial instruments

The Group treats forward foreign exchange contracts and currency swap deals it enters into as derivative financial instruments at FVTPL. Changes in the fair value of these instruments are taken through the Group Income Statement.

j) Provisions

Provisions are recognised when:

- the Group has a legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required on settlement is determined by considering the class of obligations as a whole.

k) Finance costs

Finance costs relating to the corporate banking facility, other than set-up costs, are recognised in the year in which they are incurred. Set-up costs are recognised over the remaining facility term.

Finance costs also include the net interest cost on retirement benefit obligations and the unwinding of discounting of provisions.

l) Taxation

The tax charge or credit represents the sum of tax currently payable and deferred tax.

Current tax

Current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Group Income Statement because it excludes both items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted, or substantively enacted, by the balance sheet date.

Deferred tax

Deferred tax liabilities are recognised in full for taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will arise to allow all or part of the assets 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 to the Group Income Statement 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 there is a legally enforceable right to set off current tax assets and current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

2 ACCOUNTING POLICIES (CONTINUED)

m) Foreign currencies

The individual financial statements of each Group subsidiary that is consolidated (i.e. Service Companies) are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of the pro forma and statutory financial statements, the results and financial position of each Group subsidiary are expressed in pounds sterling, the functional currency of the Company and the presentation currency of the financial statements.

Monetary assets and liabilities expressed in foreign currency (including investments measured at fair value) are reported at the rate of exchange prevailing at the balance sheet date or, if appropriate, at the forward contract rate. Any difference arising on the retranslation of these amounts is taken to the Group Income Statement with foreign exchange movements on investments measured at fair value recognised in operating income as part of net gain on investments at FVTPL. Income and expense items are translated at the average exchange rates for the period.

n) Non-current assets held for sale and discontinued operations

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, it is treated as a discontinued operation. The post-tax profit or loss of this discontinued operation together with the gain or loss recognised on its disposal is shown as a single amount on the face of the Group Income Statement, with all historical financial periods being presented on this basis.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount is recoverable through a sale rather than through continuing use. This condition is regarded as having been met only when the sale is highly probable, the asset (or disposal group) is available for immediate sale in its present condition and the sale is completed within one year of the date of its classification.

o) Retirement benefit costs

The Group operates both defined benefit and defined contribution pension arrangements. Its two defined benefit pension schemes are the John Laing Pension Fund (JLPF) and the John Laing Pension Plan, which are both closed to future accrual. The Group also provides post-retirement medical benefits to certain former employees.

Payments to defined contribution pension arrangements are charged as an expense as they fall due. For the defined benefit pension schemes and the post-retirement medical benefit scheme, the cost of providing benefits is determined in accordance with IAS 19 Employee Benefits (revised) using the projected unit credit method, with actuarial valuations being carried out at least every three years. Actuarial gains and losses are recognised in full in the year in which they occur and are presented in the Group Statement of Comprehensive Income. Curtailment gains arising from changes to members' benefits are recognised in full in the Group Income Statement.

The retirement benefit obligations recognised in the Group Balance Sheet represent the present value of: (i) defined benefit scheme obligations as adjusted for unrecognised past service costs and reduced by the fair value of scheme assets, where any asset resulting from this calculation is limited to past service costs plus the present value of available refunds and reductions in future contributions to the schemes; and (ii) unfunded post-retirement medical benefits.

Net interest expense or income is recognised within finance costs.

p) Cash and cash equivalents

Cash and cash equivalents in the Group Balance Sheet comprise cash at bank and in hand and short term deposits with original maturities of three months or less. For the purposes of the Group Cash Flow Statement, cash and cash equivalents comprise cash and short term deposits as defined above, net of bank overdrafts.

Deposits held with original maturities of greater than three months are shown as other financial assets.

q) Leasing

All leases are classified as operating leases. Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term.

r) Share capital

Ordinary shares are classified as equity instruments on the basis that they evidence a residual interest in the assets of the Group after deducting all its liabilities.

Incremental costs directly attributable to the issue of new ordinary shares are recognised in equity as a deduction, net of tax, from the proceeds in the period in which the shares are issued.

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

2 ACCOUNTING POLICIES (CONTINUED)

s) Employee benefit trust

In June 2015, the Group established the John Laing Group Employee Benefit Trust (EBT) as described further in note 5. The Group is deemed to have control of the EBT and it is therefore treated as a subsidiary and consolidated for the purposes of the accounts. Any investment by the EBT in the parent company's shares is deducted from equity in the Group Balance Sheet as if they were treasury shares. Other assets and liabilities of the EBT are recognised as assets and liabilities of the Group.

Any shares held by the EBT are excluded for the purposes of calculating earnings per share.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. The key areas of the financial statements where the Group is required to make critical judgements and material accounting estimates are in respect of the fair value of investments and accounting for the Group's defined benefit pension liabilities, including whether there is any minimum funding requirement to be recognised.

Fair value of investments

A valuation of the Group's investment portfolio is prepared on a consistent, principally discounted cash flow basis at 30 June and 31 December. The valuation (excluding listed investments) assumes that forecast cash flows are received until maturity of the underlying assets. The valuation is subject to a number of material estimates including discount rates and forecast cash flows from investments in projects.

A base case discount rate for an operational project is derived from secondary market information and other available data points. The base case discount rate is then adjusted to reflect project-specific risks. In addition, risk premia are added during the construction phase to reflect the additional risks during construction. These premia reduce over time as the project progresses through its construction programme, reflecting the significant reduction in risk once the project reaches the operating stage. The discount rates applied to investments at 31 December 2015 were in the range of 7.3% to 12.3% (31 December 2014 – 7.5% to 13.0%).

The cash flows on which the discounted cash flow valuation is based are those forecast to be distributable to the Group at each balance sheet date, derived from detailed project financial models. These incorporate assumptions about value enhancements. Further detail on key assumptions underpinning the valuation of the investments (including sensitivities) can be found in note 17.

Pension and other post-retirement liability accounting

The combined accounting deficit in the Group's defined benefit pension and post-retirement medical schemes at 31 December 2015 was £46.2 million (31 December 2014 – £185.8 million). The value of the pension deficit is highly dependent on key assumptions including price inflation, discount rate and life expectancy. The assumptions applied at 31 December 2015 and the sensitivity of the pension liabilities to certain changes in these assumptions are illustrated in note 19.

In determining the Group's defined benefit pension liability, consideration is also given to whether there is a minimum funding requirement under IFRIC 14 Limit on Defined Benefit Asset which is in excess of the IAS 19 Employee Benefits liability. If the minimum funding requirement is higher, an additional liability would need to be recognised. Under the trust deed and rules of JLPF, the Group has an ultimate unconditional right to any surplus and accordingly the excess of the minimum funding requirement over the IAS 19 Employee Benefits liability has not been recognised as an additional liability.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2015

3 OPERATING SEGMENTS

Information is reported to the Group's Board (the chief operating decision maker under IFRS 8 Operating Segments) for the purposes of resource allocation and assessment of segment performance based on the category of activities undertaken within the Group. The principal categories of activity, and thus the reportable segments under IFRS 8 Operating Segments, are: Primary Investment, Secondary Investment and Asset Management.

The results included within each of the reportable segments comprise:

Primary Investment – costs and cost recoveries associated with originating, bidding for and winning greenfield infrastructure and renewable energy projects; investment returns from and growth in the value of the Primary Investment portfolio, net of associated costs.

Secondary Investment – investment returns from and growth in the value of the Secondary Investment portfolio, net of associated costs.

Asset Management – fee income and associated costs from investment management services in respect of both the Primary and Secondary Investment portfolios and in respect of JLIF's, JLEN's and JLPF's portfolios plus fee income and associated costs from project management services.

The Board's primary measure of profitability for each segment is profit before tax. The Board has measured profitability using pro forma profit before tax, which in future years will be aligned to statutory profit before tax.

The following is an analysis of the Group's profit before tax and operating income for the years ended 31 December 2015 and 31 December 2014:

	Year ended 31 December 2015						
	Reportable segments						
Pro forma	**Primary Investment £ million**	**Secondary Investment £ million**	**Asset Management £ million**	**Segment Sub-total £ million**	**Inter-segment £ million**	**Non-segmental results £ million**	**Total £ million**
Continuing operations							
Net gain on investments at FVTPL	82.9	49.4	–	**132.3**	–	0.8	**133.1**
Other income	3.4	–	42.4	**45.8**	(12.0)	0.7	**34.5**
Operating income	86.3	49.4	42.4	**178.1**	(12.0)	1.5	**167.6**
Cost of sales	–	–	–	**–**	–	(0.1)	**(0.1)**
Gross profit	86.3	49.4	42.4	**178.1**	(12.0)	1.4	**167.5**
Administrative expenses	(29.3)	(5.9)	(26.9)	**(62.1)**	12.0	(5.2)	**(55.3)**
Profit from operations	57.0	43.5	15.5	**116.0**	–	(3.8)	**112.2**
Finance costs	(6.3)	(0.5)	–	**(6.8)**	–	(4.5)	**(11.3)**
Profit before tax from continuing operations	50.7	43.0	15.5	**109.2**	–	(8.3)	**100.9**
Profit before tax from discontinued operations							**5.7**
Profit before tax – pro forma							**106.6**
Reconciliation to statutory results:							
Fair value loss on acquisition of John Laing Holdco Limited (see note 2)							**(3.4)**
Profit before tax – statutory							**103.2**

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

3 OPERATING SEGMENTS (CONTINUED)

	Year ended 31 December 2014						
	Reportable segments						
Pro forma	Primary Investment £ million	Secondary Investment £ million	Asset Management £ million	Segment Sub-total £ million	Inter-segment £ million	Non-segmental results £ million	Total £ million
Continuing operations							
Net gain on investments at FVTPL	127.2	39.3	–	166.5	–	1.8	168.3
Other income	13.2	–	36.7	49.9	(10.2)	(1.4)	38.3
Operating income	140.4	39.3	36.7	216.4	(10.2)	0.4	206.6
Cost of sales	–	–	–	–	–	(0.4)	(0.4)
Gross profit	140.4	39.3	36.7	216.4	(10.2)	–	206.2
Administrative expenses	(30.8)	(7.5)	(27.0)	(65.3)	10.2	(5.0)	(60.1)
Profit from operations	109.6	31.8	9.7	151.1	–	(5.0)	146.1
Finance costs	(10.2)	(1.7)	–	(11.9)	–	(13.8)	(25.7)
Profit before tax from continuing operations	99.4	30.1	9.7	139.2	–	(18.8)	120.4
Loss before tax from discontinued operations							–
Profit before tax – pro forma							120.4

Non-segmental results include results from corporate activities of intermediary holding companies and discontinued operations.

For the year ended 31 December 2015, more than 10% of operating income was derived from the IEP (Phase 1) project (year ended 31 December 2014 – IEP (Phase 2)).

Statutory Income Statement

The loss for the year ended 31 December 2014 was £23 due to £5 interest income offset by £28 of administrative expenses. The Group did not review the statutory results on a segmental basis prior to the IPO in February 2015.

The Group's investment portfolio, comprising investments in project companies and a listed fund included within investments at FVTPL (see note 12) is allocated between primary and secondary investments. The Primary Investment portfolio includes projects which have recently reached financial close and/or are in the construction phase. The Secondary Investment portfolio includes operational projects.

Segment assets	**31 December 2015 Pro forma and Statutory £ million**	31 December 2014 Pro forma £ million
Primary Investment	**405.9**	414.3
Secondary Investment	**435.5**	357.7
Total investment portfolio	**841.4**	772.0
Other investments	**0.5**	0.3
Other assets and liabilities	**123.4**	85.9
Total investments at FVTPL	**965.3**	858.2
Other assets	**12.0**	14.8
Total assets	**977.3**	873.0
Retirement benefit obligations	**(46.2)**	(185.8)
Other liabilities	**(41.5)**	(37.4)
Total liabilities	**(87.7)**	(223.2)
Group net assets	**889.6**	649.8

Other assets and liabilities above include cash and cash equivalents, trade and other receivables less trade and other payables within recourse group investment entity subsidiaries.

Statutory Balance Sheet

At 31 December 2014 there were total assets of £1,077 and total liabilities of £1,000. The Group did not review the statutory results on a segmental basis prior to the IPO in February 2015.

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2015

4 EARNINGS PER SHARE

The calculation of basic earnings per share is based on the following data:

	Year ended 31 December 2015 Pro forma £ million	Year ended 31 December 2015 Statutory £ million	Year ended 31 December 2014 Pro forma £ million	Year ended 31 December 2014 Statutory £ million
Earnings				
Profit from continuing operations for the purpose of basic and diluted earnings per share	**98.8**	**95.4**	120.6	–
Profit/(loss) from discontinued operations for the purpose of basic and diluted earnings per share	**5.7**	**5.7**	(0.1)	–
Profit for the year	**104.5**	**101.1**	120.5	–
Number of shares				
Weighted average number of ordinary shares for the purpose of basic earnings per share	**358,305,584**	**336,935,722**	300,000,000	100,000,000
Dilutive effect of ordinary shares potentially issued under share-based incentives (note 5)	**1,255,857**	**1,255,857**	–	–
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**359,561,441**	**338,191,579**	300,000,000	100,000,000
Earnings per share from continuing operations (pence/share)				
Basic	**27.6**	**28.3**	40.2	–
Diluted	**27.5**	**28.2**	40.2	–
Earnings per share from continuing and discontinued operations (pence/share)				
Basic	**29.2**	**30.0**	40.2	–
Diluted	**29.1**	**29.9**	40.2	–

5 SHARE-BASED INCENTIVES

This note applies to both pro forma and statutory financial information.

The Group operates share-based incentive arrangements for Executive Directors, senior executives and other eligible employees under which awards are granted over the Company'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 movement in the number of shares awarded is as follows:

	Number of shares awarded 2015	2014
At 1 January	**–**	–
Granted on 16 April 2015	**1,795,830**	–
Lapsed	**(32,800)**	–
At 31 December	**1,763,030**	–

The weighted average fair value of awards granted during the year was 130.89 pence per share (2014 – nil) for the market-based performance condition, determined using the Stochastic valuation model, and 218.11 pence per share (2014 – nil) for the non-market based performance condition determined using the Black Scholes model. The weighted average fair value of awards granted during the year from both models is 174.46 pence per share (2014 – nil). The significant inputs into the model were the weighted average share price of 219.5 pence (2014 – nil) at the grant date, expected volatility of 14.17% (2014 – nil), expected dividend yield of 2.17% (2014 – nil), an expected award life of three years and an annual risk-free interest rate of 0.68% (2014 – nil). The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over three years.

The total expense recognised in the Group Income Statement for awards granted under share-based incentive arrangements for the year ended 31 December 2015 was £0.7 million (2014 – £nil).

Of the 1,763,030 outstanding awards (2014 – nil), none were exercisable (2014 – nil). The weighted average exercise price of the awards granted during 2015 was £nil (2014 – £nil). There were no awards forfeited, exercised or expired during the year ended 31 December 2015 (2014 – nil). During the year ended 31 December 2015, 32,800 awards lapsed as a result of one participant in the share-based incentive scheme leaving the Group (2014 – nil).

The awards outstanding at the end of the year vest on 15 April 2018 subject to the conditions described above. The weighted average exercise price of the awards outstanding at 31 December 2015 was £nil (31 December 2014 – £nil).

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for the year ended 31 December 2015

5 SHARE-BASED INCENTIVES (CONTINUED)

Employee Benefit Trust

On 19 June 2015 the Company established the John Laing Group Employee Benefit Trust (EBT) to be used as part of the remuneration arrangements for employees. The purpose of the EBT is to facilitate the ownership of shares by or for the benefit of employees by the acquisition and distribution of shares in the Company. The EBT purchases shares in the Company to satisfy the Company's obligations under its share-based payment plans.

During the year the EBT purchased no shares in John Laing Group plc and as at 31 December 2015 the EBT held no shares in the Company.

6 OTHER INCOME

	Year ended 31 December 2015		Year ended 31 December 2014	
	Pro forma £ million	**Statutory £ million**	Pro forma £ million	Statutory £ million
Fees from asset management services	**31.1**	**28.1**	26.5	–
Recovery of bid costs	**3.4**	**3.4**	11.4	–
Other	**–**	**–**	0.4	–
	34.5	**31.5**	38.3	–

7 PROFIT FROM OPERATIONS

	Year ended 31 December 2015		Year ended 31 December 2014	
	Pro forma £ million	**Statutory £ million**	Pro forma £ million	Statutory £ million
Profit from operations has been arrived at after (charging)/crediting:				
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries	**(0.3)**	**(0.3)**	(0.3)	–
Total audit fees	**(0.3)**	**(0.3)**	(0.3)	–
– other assurance services	**(0.1)**	**(0.1)**	(0.1)	–
– corporate finance services	**–**	**–**	(0.8)	–
Total non-audit fees	**(0.1)**	**(0.1)**	(0.9)	–
Operating lease charges:				
– rental of land and buildings	**(0.8)**	**(0.8)**	(3.0)	–
Depreciation of plant and equipment	**(0.7)**	**(0.7)**	(1.0)	–
Amortisation of intangible assets	**(0.5)**	**(0.5)**	(0.5)	–
Net foreign exchange gain	**1.4**	**1.4**	2.3	–

The fees payable to the Company's auditor for the audit of the Company's annual accounts were £6,312 (2014 – £6,249). The fees payable to the Company's auditor for non-audit services comprised: £0.1 million for other assurance services (2014 – £0.1 million) and £nil for corporate finance services (2014 – £0.8 million for vendor due diligence services in relation to a potential trade sale of the Group). Fees of £1.1 million paid to the Company's auditor (2014 – £nil) for reporting accountant and other services in relation to the IPO of the Company in February 2015 have been deducted from share premium in 2015 as an expense on the issue of equity shares.

NOTES TO THE GROUP FINANCIAL STATEMENTS
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8 EMPLOYEE COSTS AND DIRECTORS' EMOLUMENTS

	Year ended 31 December 2015 Pro forma £ million	Year ended 31 December 2015 Statutory £ million	Year ended 31 December 2014 Pro forma £ million	Year ended 31 December 2014 Statutory £ million
Employee costs comprise:				
Salaries	**(29.9)**	**(26.0)**	(26.3)	–
Social security costs	**(3.4)**	**(3.0)**	(3.5)	–
Pension charge				
– defined benefit schemes (see note 19)	**(1.3)**	**(1.3)**	(1.3)	–
– defined contribution	**(1.2)**	**(1.0)**	(1.5)	–
Share-based incentives (see note 5)	**(0.7)**	**(0.7)**	–	–
	(36.5)	**(32.0)**	(32.6)	–

Employee costs in 2015 include one-off costs of £3.4 million incurred in relation to the IPO.

Annual average employee numbers (including Directors):

	Year ended 31 December 2015 Pro forma No.	Year ended 31 December 2015 Statutory No.	Year ended 31 December 2014 Pro forma No.	Year ended 31 December 2014 Statutory No.
Staff	**247**	**247**	229	–
UK	**196**	**196**	191	–
Overseas	**51**	**51**	38	–
Activity				
Bidding activities, asset management and Group	**247**	**247**	229	–

Details of Directors' remuneration for the year ended 31 December 2015 can be found in the Directors' Remuneration Report on pages 50 to 62. No Directors of the Company during the year ended 31 December 2014 received any remuneration for services to the Company (or the Group).

9 FINANCE COSTS

	Year ended 31 December 2015 Pro forma £ million	Year ended 31 December 2015 Statutory £ million	Year ended 31 December 2014 Pro forma £ million	Year ended 31 December 2014 Statutory £ million
Finance costs on corporate banking facilities	**(7.6)**	**(7.6)**	(11.0)	–
Amortisation of debt issue costs	**(1.0)**	**(1.0)**	(6.3)	–
Net interest cost of retirement obligations (see note 19)	**(2.7)**	**(2.7)**	(8.4)	–
Total finance costs	**(11.3)**	**(11.3)**	(25.7)	–

Amortisation of debt issue costs for the year ended 31 December 2014 includes an amount of £4.3 million for the write off of unamortised finance costs at 31 December 2014 in relation to the facility that was replaced in February 2015 by new corporate banking facilities.

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

10 TAX

The tax (charge)/credit for the year comprises:

	Year ended 31 December 2015 Pro forma £ million	Year ended 31 December 2015 Statutory £ million	Year ended 31 December 2014 Pro forma £ million	Year ended 31 December 2014 Statutory £ million
Current tax:				
UK corporation tax charge – current period	**(2.0)**	**(2.0)**	–	–
Foreign tax credit	**–**	**–**	0.2	–
	(2.0)	**(2.0)**	0.2	
Deferred tax charge	**(0.1)**	**(0.1)**	–	–
Tax (charge)/credit on continuing operations	**(2.1)**	**(2.1)**	0.2	–

The tax (charge)/credit for the year can be reconciled to the profit in the Group Income Statement as follows:

	Year ended 31 December 2015 Pro forma £ million	Year ended 31 December 2015 Statutory £ million	Year ended 31 December 2014 Pro forma £ million	Year ended 31 December 2014 Statutory £ million
Profit before tax on continuing operations	**100.9**	**97.5**	120.4	–
Tax at the UK corporation tax rate	**(20.4)**	**(19.7)**	(25.9)	–
Tax effect of expenses and other similar items that are not deductible	**(1.1)**	**(1.1)**	(2.1)	–
Non-taxable movement on fair value of investments	**27.0**	**26.3**	36.2	–
Adjustment for management charges from/to fair value group	**(7.4)**	**(7.4)**	(8.2)	–
Origination and reversal of timing differences	**(0.1)**	**(0.1)**	–	–
Other movements	**(0.1)**	**(0.1)**	0.2	–
Total tax (charge)/credit on continuing operations for the year	**(2.1)**	**(2.1)**	0.2	–

For the year ended 31 December 2015 a blended tax rate of 20.25% has been applied due to the change in the UK corporation tax rate from 21% to 20% with effect from 1 April 2015 (2014 – 21.5%). The UK Government has announced its intention to reduce the main corporation tax rate by 1% to 19% from 1 April 2017 and by a further 1% to 18% from 1 April 2020.

The Group expects that the majority of deferred tax assets will be realised after 1 April 2020 and therefore the Group has measured its deferred tax assets at 31 December 2015 at 18% (31 December 2014 – 20%).

11 DISCONTINUED OPERATIONS

Certain of the Group's assets and liabilities, which relate to legacy property and construction businesses, are classified as discontinued. The remaining assets and liabilities relate to the settlement of potential liabilities at the time of sale of the legacy businesses.

The results of discontinued operations, which have been included in the Group Income Statement, were as follows: £5.7 million income (2014 – £0.2 million income) in administrative expenses; £nil (2014 – £0.2 million cost) in finance costs and £nil (2014 – £0.1 million tax charge) in tax. These amounts resulted in profit from discontinued operations after tax of £5.7 million (2014 – £0.1 million loss). The profit for the year ended 31 December 2015 is mainly due to the resolution of legacy claims.

During the year ended 31 December 2015 net cash inflow from operating activities included £1.1 million (2014 – outflow £1.1 million) in respect of discontinued operations.

The major classes of assets and liabilities classified as discontinued operations at 31 December 2015 were as follows: £nil (31 December 2014 – £0.1 million) of cash and cash equivalents and £4.2 million (31 December 2014 – £8.8 million) of provisions. Included within the provisions balance are provisions in relation to the legacy construction businesses for £4.2 million (31 December 2014 – £8.8 million). The reduction in the provisions is mainly due to the resolution of legacy claims.

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

12 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2015			
Pro forma	**Project companies £ million**	**Listed investments £ million**	**Other assets and liabilities £ million**	**Total £ million**
Opening balance	**706.7**	**65.6**	**85.9**	**858.2**
Distributions	**(43.4)**	**(0.9)**	**44.3**	**–**
Investment in equity and loans	**142.9**	**–**	**(142.9)**	**–**
Realisations	**(86.3)**	**–**	**86.3**	**–**
Investments transferred to JLPF	**(29.6)**	**(50.4)**	**–**	**(80.0)**
Fair value movement	**135.5**	**1.8**	**(4.2)**	**133.1**
Net cash transferred to investments held at FVTPL	**–**	**–**	**54.0**	**54.0**
Closing balance	**825.8**	**16.1**	**123.4**	**965.3**

	31 December 2015			
Statutory	**Project companies £ million**	**Listed investments £ million**	**Other assets and liabilities £ million**	**Total £ million**
Opening balance	**–**	**–**	**–**	**–**
Acquisition of John Laing Holdco Limited	**706.7**	**65.6**	**(142.3)**	**630.0**
Acquisition of Service Companies	**–**	**–**	**231.6**	**231.6**
Distributions	**(43.4)**	**(0.9)**	**44.3**	**–**
Investment in equity and loans	**142.9**	**–**	**(142.9)**	**–**
Realisations	**(86.3)**	**–**	**86.3**	**–**
Investments transferred to JLPF	**(29.6)**	**(50.4)**	**–**	**(80.0)**
Fair value movement	**135.5**	**1.8**	**(7.6)**	**129.7**
Net cash transferred to investments held at FVTPL	**–**	**–**	**54.0**	**54.0**
Closing balance	**825.8**	**16.1**	**123.4**	**965.3**

On 27 January 2015, the Company acquired the remaining 77.54% interest in John Laing Holdco Limited for £630.0 million as part of a pre IPO restructuring. On 17 February 2015, the Company acquired from the John Laing Holdco Limited group the interests in its Service Companies. From this date, these Service Companies have been consolidated in the group financial statements. This latter acquisition has been treated as an acquisition under common control. Please refer to note 2 for further details.

	31 December 2014			
Pro forma	Project companies £ million	Listed investments £ million	Other assets and liabilities £ million	Total £ million
Opening balance	645.1	39.7	61.1	745.9
Distributions	(26.0)	(1.9)	27.9	–
Investment in equity and loans	91.7	63.5	(155.2)	–
Realisations	(159.6)	(38.9)	198.5	–
Fair value movement	155.5	3.2	9.6	168.3
Net cash transferred from investments held at FVTPL	–	–	(56.0)	(56.0)
Closing balance	706.7	65.6	85.9	858.2

Included within other assets and liabilities above is cash collateral of £123.9 million (31 December 2014 – £60.5 million) in respect of future investment commitments on IEP (Phase 1), I-77 Managed Lanes, New Perth Stadium and Sydney Light Rail (31 December 2014 – East West Link, New Perth Stadium and Oldham Housing).

Following financial close of the East West Link project in October 2014, a change of government took place in the State of Victoria. The incoming Labor government gave notice in December 2014 to the East West Connect consortium, in which the Group had a shareholding, that it was suspending the project. Following agreement with the State of Victoria, the investment commitment to this project, which was made up of cash collateral of £39.7 million and a letter of credit of £21.0 million, was recovered in June 2015.

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

12 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The investment disposals that have occurred in the years presented above are as follows:

Year ended 31 December 2015

During the year ended 31 December 2015, the Group disposed of shares and subordinated debt in seven PPP and renewable energy project companies. Sale proceeds were £86.3 million. The Group also made a contribution of £80.0 million to JLPF settled by a transfer of shares in JLEN and shares in one PPP project company.

Details were as follows:

	Date of completion	Original holding %	Holding disposed of %	Retained holding %
Sold to John Laing Environmental Assets Group Limited (JLEN)				
Carscreugh Holdings Limited	31 March 2015	100.0	100.0	–
Wear Point Wind Holdco Limited	31 March 2015	100.0	100.0	–
Branden Solar Park Holdings Limited	31 March 2015	100.0	64.0	36.0
Branden Solar Park Holdings Limited	30 July 2015	36.0	36.0	–
Burton Wold Extension Limited	2 December 2015	100.0	100.0	–
Sold to John Laing Infrastructure Fund Limited (JLIF)				
Healthcare Support (Erdington) Holdings Limited	30 June 2015	100.0	100.0	–
Sold to other parties				
Dhule Palesner Tollway Limited	31 October 2015	36.0	36.0	–
Services Support (Cleveland) Holdings Limited	5 November 2015	27.08	27.08	–
Transferred to JLPF				
City Greenwich Lewisham Rail Link plc	17 February 2015	52.0	47.0	5.0
John Laing Environmental Assets Group Limited (JLEN)	17 February 2015	39.7	29.9	9.8*

* shareholding reduced to 7.0% following the equity issue by JLEN in July 2015.

Year ended 31 December 2014

During the year ended 31 December 2014, the Group disposed of shares and subordinated debt in 12 PPP and renewable energy project companies. Sale proceeds were £139.5 million in cash. In addition in December 2014, the Group realised £20.1 million from its investment in the Croydon BWH project when Croydon Council exercised its option to acquire the property. The Group also disposed of its remaining holding in JLIF on 31 March 2014 for £38.9 million, net of costs of £0.4 million.

Details were as follows:

	Date of completion	Original holding %	Holding disposed of %	Retained holding %
Sold to John Laing Infrastructure Fund Limited (JLIF)				
Duo2 Holdings BV	26 September 2014	40.0	40.0	–
Services Support (SEL) Limited	1 October 2014	25.0	25.0	–
JLW Excellent Homes for Life Limited	19 December 2014	80.0	80.0	–
Surrey Lighting Services Limited	19 December 2014	50.0	50.0	–
Sold to John Laing Environmental Assets Group Limited (JLEN)				
Amber Solar Parks (Holdings) Limited	3 April 2014	100.0	100.0	–
Bilsthorpe Wind Farm Holdings Limited	3 April 2014	100.0	100.0	–
ELWA Holdings Limited	17 April 2014	80.0	80.0	–
JL Hall Farm Holdings Limited	31 March 2014	100.0	100.0	–
Shanks Dumfries and Galloway Holdings Limited	31 March 2014	80.0	80.0	–
Wind Assets LLP	4 April 2014	100.0	100.0	–
Sold to other parties				
Coastal Clearwater Limited	5 December 2014	50.0	50.0	–
Westadium Project Holdco Pty Limited	19 December 2014	100.0	50.0	50.0

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

13 TRADE AND OTHER RECEIVABLES

	31 December 2015 Pro forma and statutory £ million	31 December 2014 Pro forma £ million	31 December 2014 Statutory £ million
Current assets			
Trade receivables	**4.4**	4.3	–
Other taxation	**–**	0.1	–
Other receivables	**3.4**	2.0	–
Prepayments and accrued income	**0.5**	2.8	–
	8.3	9.2	–

In the opinion of the Directors the fair value of trade and other receivables is equal to their carrying value.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	31 December 2015 Pro forma and statutory £ million	31 December 2014 Pro forma £ million	31 December 2014 Statutory £ million
Sterling	**7.7**	8.6	–
Other currencies	**0.6**	0.6	–
	8.3	9.2	–

The other currencies balance mainly includes trade and other receivables in Canadian dollars (31 December 2014 – Canadian dollars).

Included in the Group's trade receivables are debtors with a carrying value of £0.1 million which were overdue at 31 December 2015 (31 December 2014 – £0.2 million). The overdue balances have an ageing of up to 60 days (31 December 2014 – up to 60 days). The Group has not provided for these debtors as there has not been a significant change in their credit quality since the amounts became overdue, and they are still considered fully recoverable. The Group does not hold any collateral against these balances.

Included in the Group's trade receivables are debtors with a carrying value of £nil which were impaired at 31 December 2015 (31 December 2014 – £nil).

14 TRADE AND OTHER PAYABLES

	31 December 2015 Pro forma and statutory £ million	31 December 2014 Pro forma £ million	31 December 2014 Statutory £ million
Current liabilities			
Trade payables	**(10.2)**	(13.9)	–
Other taxation	**(1.6)**	(1.0)	–
Accruals	**(7.4)**	(11.3)	–
Deferred income	**(0.4)**	(0.3)	–
	(19.6)	(26.5)	–

15 BORROWINGS

	31 December 2015 Pro forma and statutory £ million	31 December 2014 Pro forma £ million	31 December 2014 Statutory £ million
Current liabilities			
Interest-bearing loans and borrowings net of unamortised financing costs (note 16 c)	**(14.9)**	–	–
	(14.9)	–	–

NOTES TO THE GROUP FINANCIAL STATEMENTS

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16 FINANCIAL INSTRUMENTS

There were no financial instruments in the statutory financial statements for the year ended 31 December 2014. Note 16 presents the pro forma and statutory numbers for the year ended 31 December 2015 and the pro forma numbers for the year ended 31 December 2014.

a) Financial instruments by category

Pro forma and statutory Continuing operations	**Loans and receivables £ million**	**Assets at FVTPL £ million**	**Financial liabilities at amortised cost £ million**	**Total £ million**
Fair value measurement method	**n/a**	**Level 1 / 3***	**n/a**	
31 December 2015				
Non-current assets				
Investments at FVTPL*	**–**	**965.3**	**–**	**965.3**
Current assets				
Trade and other receivables	**8.1**	**–**	**–**	**8.1**
Cash and cash equivalents	**1.1**	**–**	**–**	**1.1**
Total financial assets	**9.2**	**965.3**	**–**	**974.5**
Current liabilities				
Interest-bearing loans and borrowings	**–**	**–**	**(14.9)**	**(14.9)**
Trade and other payables	**–**	**–**	**(17.6)**	**(17.6)**
Total financial liabilities	**–**	**–**	**(32.5)**	**(32.5)**
Net financial instruments	**9.2**	**965.3**	**(32.5)**	**942.0**

Pro forma Continuing operations	Loans and receivables £ million	Assets at FVTPL £ million	Financial liabilities at amortised cost £ million	Total £ million
Fair value measurement method	n/a	Level 1 / 3*	n/a	
31 December 2014				
Non-current assets				
Investments at FVTPL*	–	858.2	–	858.2
Current assets				
Trade and other receivables	8.4	–	–	8.4
Cash and cash equivalents	2.1	–	–	2.1
Total financial assets	10.5	858.2	–	868.7
Current liabilities				
Trade and other payables	–	–	(25.3)	(25.3)
Total financial liabilities	–	–	(25.3)	(25.3)
Net financial instruments	10.5	858.2	(25.3)	843.4

* Investments at FVTPL are split between: Level 1, JLEN, which is a listed investment fair valued at £16.1 million (31 December 2014 – £65.6 million) using quoted market prices; and Level 3 investments in project companies fair valued at £825.8 million (31 December 2014 – £706.7 million). Level 1 and Level 3 investments are fair valued in accordance with the policy and assumptions set out in note 2 i. The investments at FVTPL include other assets and liabilities as shown in note 12. Such other assets and liabilities are recorded at amortised cost which the Directors believe approximates to their fair value.

NOTES TO THE GROUP FINANCIAL STATEMENTS
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16 FINANCIAL INSTRUMENTS (CONTINUED)

a) Financial instruments by category (continued)

The tables in section a) provide an analysis of financial instruments that are measured subsequent to their initial recognition at fair value.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between Levels 1 and 2 during either year. There were no transfers out of Level 3.

Reconciliation of Level 3 fair value measurement of financial assets and liabilities

An analysis of the movement between opening and closing balances of assets at FVTPL is given in note 12. The carrying amounts of financial assets and financial liabilities in these financial statements reflect their fair values.

b) Foreign currency and interest rate profile of financial assets (excluding investments at FVTPL)

Currency	Continuing operations **31 December 2015** **Pro forma and statutory** **Financial assets** **Non-interest bearing** **£ million**	 31 December 2014 Pro forma Financial assets Non-interest bearing £ million
Sterling	**7.7**	8.5
Euro	**0.2**	0.3
Canadian dollar	**0.6**	0.5
US dollar	**0.4**	0.4
Australian dollar	**0.2**	0.6
Other	**0.1**	0.2
Total	**9.2**	10.5

c) Foreign currency and interest rate profile of financial liabilities

The Group's financial liabilities at 31 December 2015 were £32.5 million (31 December 2014 – £25.3 million), of which £14.9 million (31 December 2014 – £nil) related to short-term cash borrowings of £19.0 million net of unamortised finance costs of £4.1 million.

	Continuing operations 31 December 2015			Continuing operations 31 December 2014		
	Pro forma and statutory Financial liabilities			Pro forma Financial liabilities		
Currency	**Fixed rate £ million**	**Non-interest bearing £ million**	**Total £ million**	Fixed rate £ million	Non-interest bearing £ million	Total £ million
Sterling	**(14.9)**	**(14.2)**	**(29.1)**	–	(22.0)	(22.0)
Euro	**–**	**(0.6)**	**(0.6)**	–	(0.7)	(0.7)
US dollar	**–**	**(1.4)**	**(1.4)**	–	(1.3)	(1.3)
Australian dollar	**–**	**(1.1)**	**(1.1)**	–	(1.2)	(1.2)
Other	**–**	**(0.3)**	**(0.3)**	–	(0.1)	(0.1)
Total	**(14.9)**	**(17.6)**	**(32.5)**	–	(25.3)	(25.3)

NOTES TO THE GROUP FINANCIAL STATEMENTS

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17 FINANCIAL RISK MANAGEMENT

There were no financial instruments in the statutory financial statements for the year ended 31 December 2014. Note 17 presents the pro forma and statutory numbers for the year ended 31 December 2015 and the pro forma numbers for the year ended 31 December 2014.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange rate risk, interest rate risk and inflation risk), credit risk, price risk, liquidity risk and capital risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

For the parent company and its recourse subsidiaries, financial risks are managed by a central treasury operation which operates within Board approved policies. The various types of financial risk are managed as follows:

Market risk – foreign currency exchange rate risk

As at 31 December 2015 the Group held investments in 18 overseas projects (31 December 2014 – 14 overseas projects). The Group's foreign currency exchange rate risk policy is not to hedge on an individual project basis but to determine and manage the total Group exposure to individual currencies. The Group's exposure to exchange rate risk on its investments is disclosed below.

In addition, the Group policy on managing foreign currency exchange rate risk is to cover significant transactional exposures arising from receipts and payments in foreign currencies, where appropriate and cost effective. There were 15 forward currency contracts open as at 31 December 2015 (31 December 2014 – ten). The fair value of these contracts was a liability of £3.7 million (31 December 2014 – £0.3 million asset) and is included in investments at FVTPL.

At 31 December 2015, the Group's most significant currency exposure was to the Euro (31 December 2014 – Euro).

Foreign currency exposure of investments at FVTPL:

	31 December 2015 Pro forma and statutory				31 December 2014 Pro forma			
	Project companies £ million	**Listed investments £ million**	**Other assets and liabilities £ million**	**Total £ million**	Project companies £ million	Listed investments £ million	Other assets and liabilities £ million	Total £ million
Sterling	**421.9**	**16.1**	**53.3**	**491.3**	446.3	65.6	30.3	542.2
Euro	**213.3**	**–**	**1.4**	**214.7**	143.1	–	0.8	143.9
Australian dollar	**88.2**	**–**	**50.2**	**138.4**	48.6	–	54.1	102.7
Canadian dollar	**–**	**–**	**–**	**–**	–	–	0.2	0.2
US dollar	**83.7**	**–**	**18.0**	**101.7**	49.8	–	0.7	50.5
New Zealand dollar	**18.7**	**–**	**0.5**	**19.2**	18.9	–	(0.4)	18.5
Other	**–**	**–**	**–**	**–**	–	–	0.2	0.2
	825.8	**16.1**	**123.4**	**965.3**	706.7	65.6	85.9	858.2

Investments in project companies are fair valued based on the spot rate at the balance sheet date. As at 31 December 2015, a 10% weakening of the relevant currency against Sterling would decrease the value of investments in project companies by £36.7 million. A 10% strengthening of the relevant currency against Sterling would increase the value by £40.4 million.

Market risk – interest rate risk

The Group's interest rate risk arises due to fluctuations in interest rates which impact on the value of returns from floating rate deposits and expose the Group to variability in interest payment cash flows on variable rate borrowings. The Group has assessed its exposure to interest rate risk and considers that this exposure is minimal as its variable rate borrowings are short term, its finance costs in relation to letters of credit issued under the corporate banking facility are at a fixed rate and the interest earned on its cash and cash equivalents minimal.

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for the year ended 31 December 2015

17 FINANCIAL RISK MANAGEMENT (CONTINUED)

The exposure of the Group's financial assets to interest rate risk is as follows:

	31 December 2015 Pro forma and statutory			31 December 2014 Pro forma		
	Interest bearing Floating rate £ million	Non-interest bearing £ million	Total £ million	Interest bearing Floating rate £ million	Non-interest bearing £ million	Total £ million
Financial assets						
Investments at FVTPL	**–**	**965.3**	**965.3**	–	858.2	858.2
Trade and other receivables	**–**	**8.1**	**8.1**	–	8.4	8.4
Cash and cash equivalents	**1.1**	**–**	**1.1**	2.1	–	2.1
Financial assets exposed to interest rate risk	**1.1**	**973.4**	**974.5**	2.1	866.6	868.7

An analysis of the movement between opening and closing balances of investments at FVTPL is given in note 12. Investments in project companies are valued on a discounted cash flow basis. At 31 December 2015, the weighted average discount rate was 9.5% (31 December 2014 – 9.8%). For investments in project companies, changing the discount rate used to value the underlying instruments would alter their fair value. As at 31 December 2015 a 1% increase in the discount rate would reduce the fair value by £97.8 million (31 December 2014 – £77.3 million) and a 1% reduction in the discount rate would increase the fair value by £116.7 million (31 December 2014 – £91.9 million).

The exposure of the Group's financial liabilities to interest rate risk is as follows:

	31 December 2015 Pro forma and statutory			31 December 2014 Pro forma		
	Interest-bearing Fixed rate £ million	Non-interest bearing £ million	Total £ million	Interest-bearing Fixed rate £ million	Non-interest bearing £ million	Total £ million
Interest-bearing loans and borrowings	**(14.9)**	**–**	**(14.9)**	–	–	–
Trade and other payables	**–**	**(17.6)**	**(17.6)**	–	(25.3)	(25.3)
Financial liabilities exposed to interest rate risk	**(14.9)**	**(17.6)**	**(32.5)**	–	(25.3)	(25.3)

Market risk – inflation risk

The Group has limited direct exposure to inflation risk, but the fair value of investments is determined by future project revenue and costs which can be partly linked to inflation. Sensitivity to inflation can be mitigated by the project company entering into inflation swaps. Where PPP investments are positively correlated to inflation, an increase in inflation expectations will tend to increase the value of PPP investments. Conversely an increase in inflation expectations would tend to increase JLPF's pension liabilities.

Credit risk

Credit risk is managed on a Group basis and arises from a combination of the value and term to settlement of balances due and payable by counterparties for both financial and trade transactions.

In order to minimise credit risk, cash investments and derivative transactions are limited to financial institutions of a suitable credit quality and counterparties are carefully screened. The Group's cash balances are invested in line with a policy approved by the Board, capped with regard to counter-party credit ratings.

A significant majority of the project companies in which the Group invests receive revenue from government departments, public sector or local authority clients and/or directly from the public. As a result, these projects tend not to be exposed to significant credit risk.

Price risk

The Group's investments in PPP assets have limited direct exposure to price risk. The fair value of many such project companies is dependent on the receipt of fixed fee income from government departments, public sector or local authority clients. As a result, these projects tend not to be exposed to price risk. The Group also holds investments in renewable energy projects whose fair value may vary with forward energy prices to the extent they are not hedged through short to medium term fixed price purchase agreements with electricity suppliers, or do not benefit from governmental support mechanisms at fixed prices. The Group's investment in JLEN is valued at its closing market share price.

Liquidity risk

The Group adopts a prudent approach to liquidity management by maintaining sufficient cash and available committed facilities to meet its current and upcoming obligations.

The Group's liquidity management policy involves projecting cash flows in major currencies and assessing the level of liquid assets necessary to meet these. Managing liquidity risk is helped by the relative predictability in both value and timing of cash flows to and from the project companies in which the Group invests.

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

17 FINANCIAL RISK MANAGEMENT (CONTINUED)

Maturity of financial assets

The maturity profile of the Group's financial assets (excluding investments at FVTPL) is as follows:

	Continuing operations	
	31 December 2015 Pro forma and statutory Less than one year £ million	31 December 2014 Pro forma Less than one year £ million
Trade and other receivables	**8.1**	8.4
Cash and cash equivalents	**1.1**	2.1
Financial assets (excluding investments at FVTPL)	**9.2**	10.5

Other than certain trade and other receivables, as detailed in note 13, none of the financial assets is either overdue or impaired.

The maturity profile of the Group's financial liabilities is as follows:

	31 December 2015 Pro forma and statutory £ million	31 December 2014 Pro forma £ million
In one year or less, or on demand	**(32.5)**	(25.3)
Total	**(32.5)**	(25.3)

The following table details the remaining contractual maturity of the Group's financial liabilities. The table reflects undiscounted cash flows relating to financial liabilities based on the earliest date on which the Group is required to pay. The table includes both interest and principal cash flows:

Pro forma and statutory	**Weighted average effective interest rate %**	**In one year or less £ million**	**Total £ million**
31 December 2015			
Fixed interest rate instruments – loans and borrowings	**3.0**	**(14.9)**	**(14.9)**
Non-interest bearing instruments*	**n/a**	**(17.6)**	**(17.6)**
		(32.5)	**(32.5)**
Pro forma			
31 December 2014			
Fixed interest rate instruments – loans and borrowings	n/a	–	–
Non-interest bearing instruments*	n/a	(25.3)	(25.3)
		(25.3)	(25.3)

* Non-interest bearing instruments relate to trade and other payables.

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

17 FINANCIAL RISK MANAGEMENT (CONTINUED)

Capital risk

The Group seeks to adopt efficient financing structures that enable it to manage capital effectively and achieve the Group's objectives without putting shareholder value at undue risk. The Group's capital structure comprises its equity (as set out in the Group Statement of Changes in Equity) and its net borrowings.

On 17 February 2015, the Group entered into a five year £350.0 million corporate banking facility and related ancillary facilities. These replaced a facility of £353.9 million which was due to expire on 20 February 2017.

Issued at 31 December 2015 were letters of credit of £154.2 million (31 December 2014 – £243.8 million) related to future capital and loan commitments and performance and bid bonds of £1.1 million (31 December 2014 – £1.1 million).

The Group has requirements for both borrowings and letters of credit, which at 31 December 2015 were met by its £350.0 million committed corporate banking facility, related ancillary facilities and uncommitted cash backed facilities (31 December 2014 – £353.9 million). The committed facilities are summarised below:

	31 December 2015 Pro forma and statutory			
	Total facilities £ million	**Loans drawn £ million**	**Letters of credit in issue/other commitments £ million**	**Total undrawn £ million**
Committed corporate banking facilities	**350.0**	**(19.0)**	**(155.3)**	**175.7**
Total committed Group facilities	**350.0**	**(19.0)**	**(155.3)**	**175.7**

	31 December 2014 Pro forma			
	Total facility £ million	Loans drawn £ million	Letters of credit in issue/other commitments £ million	Total undrawn £ million
Committed corporate banking facility	353.9	–	(244.9)	109.0
Total committed Group facility	353.9	–	(244.9)	109.0

18 DEFERRED TAX

The following are the major deferred tax assets and movements therein recognised by the Group for the years ended 31 December 2015 and 31 December 2014:

Pro forma	**Other deductible temporary differences £ million**
Opening asset at 1 January 2015	**1.5**
Charge to income – prior year	**(0.2)**
Credit to income – current year	**0.1**
Closing asset at 31 December 2015	**1.4**
Opening asset at 1 January 2014	1.5
Closing asset at 31 December 2014	1.5

Statutory	**Other deductible temporary differences £ million**
Arising on acquisition	**1.5**
Charge to income – prior year	**(0.2)**
Credit to income – current year	**0.1**
Closing asset at 31 December 2015	**1.4**
Opening asset at 1 January 2014	–
Closing asset at 31 December 2014	–

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

19 RETIREMENT BENEFIT OBLIGATIONS

There were no retirement benefit assets or liabilities in the statutory financial statements for the year ended 31 December 2014. This note presents the pro forma and statutory numbers for the year ended 31 December 2015 and the pro forma numbers for the year ended 31 December 2014.

Retirement benefit obligations:

	31 December 2015 Pro forma and statutory £ million	31 December 2014 Pro forma £ million
Pension schemes	**(38.9)**	(177.6)
Post-retirement medical benefits	**(7.3)**	(8.2)
Retirement benefit obligations	**(46.2)**	(185.8)

a) Pension schemes

The Group operates two defined benefit pension schemes in the UK (the Schemes) – The John Laing Pension Fund (JLPF) which commenced on 31 May 1957 and The John Laing Pension Plan (the Plan) which commenced on 6 April 1975. JLPF was closed to future accrual from 1 April 2011 and the Plan was closed to future accrual from September 2003. Neither Scheme has any active members, only deferred members and pensioners. The assets of both Schemes are held in separate trustee-administered funds.

UK staff employed since 1 January 2002, who are entitled to retirement benefits, can choose to be members of a defined contribution stakeholder scheme sponsored by the Group in conjunction with Legal and General Assurance Society Limited. Local defined contribution arrangements are available to overseas staff.

JLPF

An actuarial valuation of JLPF was carried out as at 31 March 2013 by a qualified independent actuary, Towers Watson. At that date, JLPF was 75% funded on the technical provision funding basis. This valuation took into account the Continuous Mortality Investigation Bureau (CMI Bureau) projections of mortality. Under the schedule of contributions agreed at the time, John Laing agreed to contribute £26.1 million for 2014 increasing by 3.55% per annum until 2023. Under a revision to the schedule of contributions agreed as part of the IPO, the deficit reduction contribution for 2016 will be £18.0 million increasing to £19.0 million in 2017. The next triennial actuarial valuation of JLPF is due as at 31 March 2016.

During the year ended 31 December 2015, John Laing made deficit reduction contributions of £127.4 million (2014 – £26.1 million) to JLPF in a mixture of cash, JLEN shares and PPP investments. At 31 December 2015, JLPF's assets included PPP investments valued at £41.4 million (31 December 2014 – £7.0 million). The Company has guaranteed to fund any cumulative shortfall in forecast project yield payments for some of the PPP investments up until 2017, but considers it unlikely that a net shortfall will arise.

The liability at 31 December 2015 allows for indexation of deferred pensions and post 5 April 1988 GMP pension increases based on the Consumer Price Index (CPI).

The Plan

No contributions were made to the Plan in the year ended 31 December 2015 (31 December 2014 – none). At its last actuarial valuation as at 31 March 2014, the Plan had assets of £12.3 million and liabilities of £11.4 million resulting in an actuarial surplus of £0.9 million. The next triennial actuarial valuation of the Plan is due as at 31 March 2017.

An analysis of members of both schemes is shown below:

31 December 2015	**Deferred**	**Pensioners**	**Total**
JLPF	**4,569**	**3,787**	**8,356**
The Plan	**114**	**334**	**448**

31 December 2014	Deferred	Pensioners	Total
JLPF	4,886	3,747	8,633
The Plan	121	301	422

NOTES TO THE GROUP FINANCIAL STATEMENTS
for the year ended 31 December 2015

19 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

a) Pension schemes (continued)

The weighted average financial assumptions used in the valuation of JLPF and the Plan under IAS 19 at 31 December were:

	31 December 2015 Pro forma and statutory %	31 December 2014 Pro forma %
Discount rate	**3.75**	3.60
Rate of increase in non-GMP pensions in payment	**2.90**	2.90
Rate of increase in non-GMP pensions in deferment	**2.00**	2.00
Inflation – RPI	**3.00**	3.00
Inflation – CPI	**2.00**	2.00

The major categories and fair value of assets held by the Schemes were as follows:

	31 December 2015 Pro forma and statutory £ million	31 December 2014 Pro forma £ million
Bonds and other debt instruments	**364.2**	372.9
Equity instruments	**337.1**	244.1
Aviva bulk annuity buy in agreement	**214.2**	226.3
Property	**2.3**	8.7
Derivatives	**(8.3)**	(5.5)
Cash and cash equivalents	**5.8**	12.9
UK PPP investments	**41.4**	7.0
Total market value of assets	**956.7**	866.4

The amount of the JLPF deficit is highly dependent upon the assumptions above and may vary significantly from period to period. The impact of possible future changes to some of the assumptions is shown below, without taking into account any inter-relationship between the assumptions. In practice, there would be inter-relationships between the assumptions. The analysis has been prepared in conjunction with the Group's actuarial adviser.

	(Increase)/decrease in pension liabilities at 31 December 2015 before deferred tax	
	Increase in assumption £ million	**Decrease in assumption £ million**
0.25% on discount rate	**34.4**	**(38.7)**
0.25% on inflation rate	**(27.1)**	**25.5**
1 year post retirement longevity	**(29.3)**	**26.1**

Mortality

Mortality assumptions at 31 December 2015 and 31 December 2014 were based on the following tables published by the CMI Bureau:

- SAPS S2 normal (S2NA) year of birth tables for staff members with mortality improvements in line with CMI 2013 core projections with a long term trend rate of 1.0% per annum; and
- SAPS S2 light (S2NA_L) year of birth tables for executive members with mortality improvements in line with CMI 2013 core projections with a long term trend rate of 1.0% per annum.

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

19 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

a) Pension schemes (continued)

The table below summarises the weighted average life expectancy implied by the mortality assumptions used:

	31 December 2015 Pro forma and statutory Years	31 December 2014 Pro forma Years
Life expectancy – of member reaching age 65 in 2015		
Males	**22.3**	22.3
Females	**24.4**	24.3
Life expectancy – of member aged 65 in 2030		
Males	**23.4**	23.3
Females	**25.5**	25.4

Analysis of the major categories of assets held by the Schemes

	31 December 2015 Pro forma and statutory £ million	**%**	31 December 2014 Pro forma £ million	%
Bond and other debt instruments				
UK corporate bonds	**114.0**		114.2	
UK government gilts	**104.7**		108.6	
UK government gilts – index linked	**145.5**		150.1	
	364.2	**38.1**	372.9	43.0
Equity instruments				
UK listed equities	**147.5**		103.8	
European listed equities	**28.7**		19.3	
US listed equities	**80.7**		48.9	
Other international listed equities	**80.2**		72.1	
	337.1	**35.3**	244.1	28.2
Aviva bulk annuity buy in agreement	**214.2**	**22.4**	226.3	26.1
Property				
Retail property	**–**		2.2	
Commercial property	**–**		4.4	
Industrial property	**2.3**		2.1	
	2.3	**0.2**	8.7	1.0
Derivatives				
Inflation swaps	**(8.3)**		(5.5)	
	(8.3)	**(0.9)**	(5.5)	(0.6)
Cash and equivalents	**5.8**	**0.6**	12.9	1.5
UK PPP investments	**41.4**	**4.3**	7.0	0.8
Total market value of assets	**956.7**	**100.0**	866.4	100.0
Present value of Schemes' liabilities	**(992.9)**		(1,041.0)	
Deficit in the Schemes	**(36.2)**		(174.6)	
Less unrecoverable surplus in the Plan	**(2.7)**		(3.0)	
Net pension liability	**(38.9)**		(177.6)	

Virtually all equity and debt instruments held by JLPF have quoted prices in active markets (Level 1). Derivatives can be classified as Level 2 instruments and property and PPP investments as Level 3 instruments. It is the policy of JLPF to use inflation swaps to hedge its exposure to inflation risk. The JLPF Trustee invests in return seeking assets, such as equity, property and PPP investments, whilst balancing the risks of inflation and interest rate movements through the annuity buy-in agreement, inflation swaps and interest rate hedging.

In February 2009, the JLPF Trustee entered into a bulk annuity buy-in agreement with Aviva to mitigate JLPF's exposure to changes in liabilities. At 31 December 2015, the underlying insurance policy was valued at £214.2 million (31 December 2014 – £226.3 million), being very substantially equal to the IAS 19 valuation of the related liabilities.

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

19 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

a) Pension schemes (continued)

Analysis of amounts charged to operating profit

	Year ended 31 December 2015 Pro forma and statutory £ million	Year ended 31 December 2014 Pro forma £ million
Current service cost*	**(1.3)**	(1.3)

* The Schemes no longer have any active members. Therefore, under the projected unit method of valuation the current service cost for JLPF will increase as a percentage of pensionable payroll as members approach retirement. The current service cost has been included within administrative expenses.

Analysis of amounts charged to finance costs

	Year ended 31 December 2015 Pro forma and statutory £ million	Year ended 31 December 2014 Pro forma £ million
Interest on Schemes' assets	**34.2**	34.1
Interest on Schemes' liabilities	**(36.6)**	(42.2)
Net charge to finance costs	**(2.4)**	(8.1)

Analysis of amounts recognised in Group Statement of Comprehensive Income

Pro forma	Year ended 31 December 2015 £ million	Year ended 31 December 2014 £ million
Return on Schemes' assets (excluding amounts included in interest on Schemes' assets above)	**(23.0)**	84.6
Experience gain/(loss) arising on Schemes' liabilities	**15.6**	(0.1)
Changes in demographic assumptions underlying the present value of the Schemes' liabilities	**–**	(5.3)
Changes in financial assumptions underlying the present value of the Schemes' liabilities	**22.1**	(77.4)
Decrease in unrecoverable surplus	**0.3**	0.4
Actuarial gain recognised in Group Statement of Comprehensive Income	**15.0**	2.2

Statutory	Year ended 31 December 2015 £ million	Year ended 31 December 2014 £ million
Return on Schemes' assets (excluding amounts included in interest on Schemes' assets above)	**(23.7)**	–
Experience gain arising on Schemes' liabilities	**15.6**	–
Changes in financial assumptions underlying the present value of Schemes' liabilities	**46.0**	–
Decrease in unrecoverable surplus	**0.3**	–
Actuarial gain recognised in Group Statement of Comprehensive Income	**38.2**	–

Changes in present value of defined benefit obligations

Pro forma	31 December 2015 £ million	31 December 2014 £ million
Opening defined benefit obligation	**(1,041.0)**	(958.0)
Current service cost	**(1.3)**	(1.3)
Interest cost	**(36.6)**	(42.2)
Experience gain/(loss) on Schemes' liabilities	**15.6**	(0.1)
Changes in demographic assumptions underlying the present value of Schemes' liabilities	**–**	(5.3)
Changes in financial assumptions underlying the present value of Schemes' liabilities	**22.1**	(77.4)
Benefits paid (including administrative costs paid)	**48.3**	43.3
Closing defined benefit obligation	**(992.9)**	(1,041.0)

NOTES TO THE GROUP FINANCIAL STATEMENTS

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19 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

a) Pension schemes (continued)

The weighted average life of JLPF liabilities at 31 December 2015 is 15.3 years (31 December 2014 – 15.9 years).

Statutory	31 December 2015 £ million	31 December 2014 £ million
Arising on acquisition	**(1,058.9)**	–
Current service cost	**(1.3)**	–
Interest cost	**(36.6)**	–
Experience gain arising on Schemes' liabilities	**15.6**	–
Changes in financial assumptions underlying the present value of Schemes' liabilities	**46.0**	–
Benefits paid (including administrative costs paid)	**42.3**	–
Closing defined benefit obligation	**(992.9)**	–

Changes in the fair value of Schemes' assets

Pro forma	31 December 2015 £ million	31 December 2014 £ million
Opening fair value of Schemes' assets	**866.4**	764.6
Interest on Schemes' assets	**34.2**	34.2
Return on Schemes' assets (excluding amounts included in interest on Schemes' assets above)	**(23.0)**	84.6
Contributions by employer	**127.4**	26.3
Benefits paid (including administrative costs paid)	**(48.3)**	(43.3)
Closing fair value of Schemes' assets	**956.7**	866.4

Statutory	31 December 2015 £ million	31 December 2014 £ million
Arising on acquisition	**861.1**	–
Interest on Schemes' assets	**34.2**	–
Return on Schemes' assets (excluding amounts included in interest on Schemes' assets above)	**(23.7)**	–
Contributions by employer	**127.4**	–
Benefits paid (including administrative costs paid)	**(42.3)**	–
Closing fair value of Schemes' assets	**956.7**	–

Analysis of the movement in the deficit during the year

Pro forma	31 December 2015 £ million	31 December 2014 £ million
Opening deficit	**(174.6)**	(193.4)
Current service cost	**(1.3)**	(1.3)
Other finance cost	**(2.4)**	(8.0)
Contributions	**127.4**	26.3
Actuarial gain*	**14.7**	1.8
Closing deficit in Schemes	**(36.2)**	(174.6)
Less unrecoverable surplus in the Plan	**(2.7)**	(3.0)
Pension deficit	**(38.9)**	(177.6)

* excluding the decrease in unrecoverable surplus in the Plan.

NOTES TO THE GROUP FINANCIAL STATEMENTS

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19 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

a) Pension schemes (continued)

The cumulative amount of losses recognised in the Group Statement of Changes in Equity is £344.1 million (31 December 2014 – £359.1 million).

Statutory	31 December 2015 £ million	31 December 2014 £ million
Arising on acquisition	**(197.8)**	–
Current service cost	**(1.3)**	–
Other finance cost	**(2.4)**	–
Contributions	**127.4**	–
Actuarial gain*	**37.9**	–
Closing deficit in Schemes	**(36.2)**	–
Less unrecoverable surplus in the Plan	**(2.7)**	–
Pension deficit	**(38.9)**	–

* excluding the decrease in unrecoverable surplus in the Plan.

The cumulative amount of gains recognised in the Group Statement of Changes in Equity is £38.2 million (31 December 2014 – £nil).

History of the weighted average experience gains and losses

	Year ended 31 December 2015 Pro forma	Year ended 31 December 2015 Statutory	Year ended 31 December 2014 Pro forma
Difference between actual and expected returns on assets:			
Amount (£ million)	**(23.0)**	**(23.7)**	84.6
% of Schemes' assets	**2.4**	**2.5**	9.8
Experience gain/(loss) on Schemes' liabilities:			
Amount (£ million)	**15.6**	**15.6**	(0.1)
% of present value of Schemes' liabilities	**1.6**	**1.6**	–
Total amount recognised in the Group Statement of Comprehensive Income (excluding deferred tax):			
Amount (£ million)	**15.0**	**38.2**	2.2
% of present value of Schemes' liabilities	**1.5**	**3.8**	0.3

Amounts for the current period and previous four years are as follows:

	31 December 2015 £ million Pro forma	31 December 2015 £ million Statutory	31 December 2014 £ million Pro forma	31 December 2013 £ million Pro forma	31 December 2012 £ million Pro forma	31 December 2011 £ million Pro forma
Present value of Schemes' liabilities	**(992.9)**	**(992.9)**	(1,041.0)	(958.0)	(900.4)	(841.2)
Market value of Schemes' assets	**956.7**	**956.7**	866.4	764.6	721.7	691.2
Deficit (after unrecoverable surplus in Plan)	**(38.9)**	**(38.9)**	(177.6)	(196.8)	(182.6)	(154.2)
Experience gain/(loss) on Schemes' liabilities	**15.6**	**15.6**	(0.1)	(30.7)	0.3	(8.2)
% of present value of Schemes' liabilities	**1.6%**	**1.6%**	–	3.2%	–	1.0%
Experience (loss)/gain on Schemes' assets	**(23.0)**	**(23.7)**	84.6	30.1	12.3	10.8
% of Schemes' assets	**2.4%**	**2.5%**	9.8%	3.9%	1.7%	1.6%

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

19 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

b) Post retirement medical benefits

The Company provides post-retirement medical insurance benefits to 65 former employees. This scheme, which was closed to new members in 1991, is unfunded.

The present value of the future liabilities under this arrangement has been assessed by the Company's actuarial adviser, Lane Clark & Peacock LLP, and has been included in the Group Balance Sheet under retirement benefit obligations as follows:

Pro forma	31 December 2015 £ million	31 December 2014 £ million
Post-retirement medical liability – opening	**(8.2)**	(7.6)
Other finance costs	**(0.3)**	(0.3)
Contributions	**0.4**	0.4
Experience gain/(loss)*	**0.4**	(0.1)
Changes in financial assumptions underlying the present value of Schemes' liabilities*	**0.4**	(0.6)
Post-retirement medical liability – closing	**(7.3)**	(8.2)

Statutory	31 December 2015 £ million	31 December 2014 £ million
Post-retirement medical liability – arising on acquisition	**(8.2)**	–
Other finance costs	**(0.3)**	–
Contributions	**0.4**	–
Experience gain*	**0.4**	–
Changes in financial assumptions underlying the present value of Schemes' liabilities*	**0.4**	–
Post-retirement medical liability – closing	**(7.3)**	–

* These amounts are actuarial gains/(losses) that go through the Group Statement of Comprehensive Income.

The annual rate of increase in the per capita cost of medical benefits was assumed to be 5.0% in 2015 (2014 – 3.6%). It is expected to increase in 2016 and thereafter at RPI plus 2.0% per annum (2014 – at 5.4% per annum).

Medical cost inflation has a significant effect on the liability reported for this scheme. A 1% change in assumed medical cost inflation would result in the following costs and liability at 31 December 2015:

	1% increase £ million	1% decrease £ million
Post-retirement medical liability	**(8.1)**	**(6.6)**

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

20 PROVISIONS

Pro forma	At 1 January 2015 £ million	Unwinding of discount £ million	Credit to Group Income Statement £ million	Utilised £ million	At 31 December 2015 £ million
Retained liabilities	**(8.8)**	**–**	**2.2**	**2.4**	**(4.2)**
Employee related liabilities	**(0.1)**	**–**	**–**	**–**	**(0.1)**
Onerous property leases	**(2.0)**	**–**	**–**	**2.0**	**–**
Total provisions	**(10.9)**	**–**	**2.2**	**4.4**	**(4.3)**
Classified as:					
Continuing operations	**(2.1)**	**–**	**–**	**2.0**	**(0.1)**
Discontinued operations (see note 11)	**(8.8)**	**–**	**2.2**	**2.4**	**(4.2)**
Provisions on continuing operations are analysed as:					
Non-current provisions	**(2.1)**				**(0.1)**
	(2.1)				**(0.1)**

Statutory	At 1 January 2015 £ million	Arising on acquisition £ million	Unwinding of discount £ million	Credit to Group Income Statement £ million	Utilised £ million	At 31 December 2015 £ million
Retained liabilities	**–**	**(8.8)**	**–**	**2.2**	**2.4**	**(4.2)**
Employee related liabilities	**–**	**(0.1)**	**–**	**–**	**–**	**(0.1)**
Onerous property leases	**–**	**(2.0)**	**–**	**–**	**2.0**	**–**
Total provisions	**–**	**(10.9)**	**–**	**2.2**	**4.4**	**(4.3)**
Classified as:						
Continuing operations	**–**	**(2.1)**	**–**	**–**	**2.0**	**(0.1)**
Discontinued operations (see note 11)	**–**	**(8.8)**	**–**	**2.2**	**2.4**	**(4.2)**
Provisions on continuing operations are analysed as:						
Non-current provisions		**(2.1)**				**(0.1)**
		(2.1)				**(0.1)**

Pro forma	At 1 January 2014 £ million	Unwinding of discount £ million	Credit/(charge) to Group Income Statement £ million	Utilised £ million	At 31 December 2014 £ million
Retained liabilities	(9.2)	(0.2)	0.4	0.2	(8.8)
Onerous contracts	(0.1)	–	0.1	–	–
Employee related liabilities	(0.1)	–	–	–	(0.1)
Onerous property leases	–	–	(2.0)	–	(2.0)
Total provisions	(9.4)	(0.2)	(1.5)	0.2	(10.9)
Classified as:					
Continuing operations	(0.2)	–	(1.9)	–	(2.1)
Discontinued operations (see note 11)	(9.2)	(0.2)	0.4	0.2	(8.8)
Provisions on continuing operations are analysed as:					
Non-current provisions	(0.2)				(2.1)
	(0.2)				(2.1)

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20 PROVISIONS (CONTINUED)

Statutory – 31 December 2014

There were no provisions in the statutory financial statements for the year ended 31 December 2014.

Provisions for retained liabilities relate to disposed businesses, £4.2 million of which relates to the sale of Laing Construction in 2001 (31 December 2014 – £8.8 million). These amounts are assessed regularly on a contract by contract basis and are expected to be utilised over the next few years.

The provision for onerous property leases of £nil (31 December 2014 – £2.0 million) primarily related to the lease of the Company's head office at 1 Kingsway, London and was utilised in 2015. During the year ended 31 December 2015, the Group re-assigned the lease for one of the floors at its head office. As a result of the re-assignment, the Group does not have any obligations for future rental payments on that floor space.

21 SHARE CAPITAL

	31 December 2015 Pro forma and statutory No.	31 December 2014 Pro forma No.	31 December 2014 Statutory No.
Authorised:			
Ordinary shares of £0.00000001 each	**–**	–	100,000,000
Ordinary shares of £0.10 each	**366,923,076**	300,000,000	–
Total	**366,923,076**	300,000,000	100,000,000

Pro forma	**31 December 2015 No.**	**31 December 2015 £ million**	31 December 2014 No.	31 December 2014 £ million
Allotted, called up and fully paid:				
At 1 January – 300,000,000 ordinary shares of £0.10 each	**300,000,000**	**30.0**	300,000,000	30.0
Issue of 66,923,076 ordinary shares of £0.10 each	**66,923,076**	**6.7**	–	–
At 31 December	**366,923,076**	**36.7**	300,000,000	30.0

Statutory	**31 December 2015 No.**	**31 December 2015 £ million**	31 December 2014 No.	31 December 2014 £ million
Allotted, called up and fully paid:				
At 1 January – 100,000,000 ordinary shares of £0.00000001 each	**100,000,000**	**–**	100,000,000	–
Issue of 100,000,000 ordinary shares of £0.00000001 each	**100,000,000**	**–**	–	–
Conversion of 200,000,000 ordinary shares of £0.00000001 each to 20 ordinary shares of £0.10 each	**(199,999,980)**	**–**	–	–
Issue of 299,999,980 ordinary shares of £0.10 each	**299,999,980**	**30.0**	–	–
Issue of 66,923,076 ordinary shares of £0.10 each	**66,923,076**	**6.7**	–	–
At 31 December	**366,923,076**	**36.7**	100,000,000	–

The Company has one class of ordinary shares which carry no right to fixed income.

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22 SHARE PREMIUM

On 26 January 2015 the Company allotted to its shareholder 100,000,000 ordinary shares of £0.00000001 each credited as fully paid to rank pari passu with the existing ordinary shares. On 27 January 2015 all the ordinary shares were consolidated into 20 ordinary shares of £0.10 each, each share having the same rights and being subject to the same restrictions (except as to nominal value) as the existing ordinary shares of £0.00000001 each in the Company as set out in its Articles. On the same day the Company allotted and issued to its shareholder a further 299,999,980 ordinary shares of £0.10 each at a premium of £2.00 per share, each to rank pari passu with the existing ordinary shares of £0.10 each in the capital of the Company. In addition, the Company undertook a reduction of its share premium account by £500 million.

The pro forma financial statements have been prepared on the basis that the transactions described above occurred on 1 January 2013 and were in place throughout the year ended 31 December 2014 and the year ended 31 December 2015.

On 17 February 2015, the Company issued 66,923,076 new ordinary shares of £0.10 each at a premium of £1.85 per share in connection with admission of its shares to listing.

	31 December 2015		31 December 2014	
	Pro forma £ million	**Statutory £ million**	Pro forma £ million	Statutory £ million
Opening balance	**100.0**	**–**	100.0	–
Premium arising on issue of equity shares	**123.8**	**723.8**	–	–
Reduction of share premium account	**–**	**(500.0)**	–	–
Costs associated with the issue of equity shares	**(5.8)**	**(5.8)**	–	–
Closing balance	**218.0**	**218.0**	100.0	–

23 NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	Year ended 31 December 2015		Year ended 31 December 2014	
	Pro forma £ million	**Statutory £ million**	Pro forma £ million	Statutory £ million
Profit before tax from continuing operations	**100.9**	**97.5**	120.4	–
Adjustments for:				
Finance costs	**11.3**	**11.3**	25.7	–
Discontinued operations' cash flows (note 11)	**1.1**	**1.1**	(1.1)	–
Unrealised profit arising on changes in fair value of investments in project companies (note 12)	**(133.1)**	**(129.7)**	(168.3)	–
Depreciation of plant and equipment	**0.7**	**0.7**	1.0	–
Amortisation of intangible assets	**0.5**	**0.5**	0.5	–
Contribution to JLPF	**(47.5)**	**(47.5)**	(26.3)	–
(Decrease)/increase in provisions	**(1.9)**	**(1.9)**	1.9	–
Operating cash outflow before movements in working capital	**(68.0)**	**(68.0)**	(46.2)	–
(Increase)/decrease in trade and other receivables	**(1.0)**	**(1.0)**	0.5	–
(Decrease)/increase in trade and other payables	**(1.5)**	**(1.5)**	4.4	–
Net cash outflow from operating activities	**(70.5)**	**(70.5)**	(41.3)	–

24 RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE GROUP CASH FLOW STATEMENT

	31 December 2015 Pro forma and statutory £ million	31 December 2014 Pro forma £ million	31 December 2014 Statutory £ million
Cash and cash equivalents in the Group Balance Sheet	**1.1**	2.1	–
Cash and cash equivalents in classified as held for sale	**–**	0.1	–
Cash and cash equivalents in the Group Cash Flow Statement	**1.1**	2.2	–

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25 GUARANTEES, CONTINGENT ASSETS AND LIABILITIES AND OTHER COMMITMENTS

At 31 December 2015 the Group had future equity and loan commitments in PPP and renewable energy projects of £278.1 million (31 December 2014 – £304.3 million) backed by letters of credit of £154.2 million (31 December 2014 – £243.8 million) and collateralised cash of £123.9 million (31 December 2014 – £60.5 million).

As stated in note 19 a) the Company has provided guarantees in respect of certain PPP investments transferred to JLPF in settlement of prior annual contribution obligations. Guarantees are provided to fund any cumulative shortfall in forecast yield payments from these PPP investments up until 2017, and the maximum exposure at 31 December 2015 was £0.3 million (31 December 2014 – £0.8 million).

The Group has given guarantees to lenders of a normal trading nature, including performance bonds, some of which may be payable on demand.

Claims arise in the normal course of trading which in some cases involve or may involve litigation. Full provision has been made in these accounts for all amounts which the Directors consider are likely to become payable on account of such claims.

The Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases for land and buildings, falling due as follows:

	31 December 2015 Pro forma and statutory £ million	31 December 2014 Pro forma £ million	31 December 2014 Statutory £ million
Within one year	**0.9**	1.7	–
In the second to fifth years inclusive	**3.3**	6.4	–
After five years	**4.0**	11.0	–
	8.2	19.1	–

26 TRANSACTIONS WITH RELATED PARTIES

Group

Details of transactions between the Group and its related parties are disclosed below.

Trading transactions

The Group has entered into the following trading transactions with project companies:

	Year ended 31 December 2015 Pro forma and statutory £ million	Year ended 31 December 2014 Pro forma £ million	Year ended 31 December 2014 Statutory £ million
Services income*	**13.5**	17.1	–
Amounts owed by project companies	**3.1**	1.4	–
Amounts owed to project companies	**(0.7)**	(0.8)	–

* Services income is generated from project companies through management services agreements and recoveries of bid costs on financial close.

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26 TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

Investment transactions

	Year ended 31 December 2015 Pro forma and statutory £ million	Year ended 31 December 2014 Pro forma £ million	Year ended 31 December 2014 Statutory £ million
Net cash transferred (to)/from investments at FVTPL (note 12)	**(54.0)**	56.0	–

Transactions with other related parties

In 2015 and earlier years, the Group transferred ownership of certain interests in PPP investments to JLPF as partial consideration for agreed deficit reduction contributions. More details are set out in notes 19 and 25.

At 31 December 2014 the amount due to the Group from the Company's previous parent undertaking was £1.6 million.

Remuneration of key management personnel

The remuneration of the Directors of John Laing Group plc together with other members of the Executive Committee, who were the key management personnel of the Group for the period of the financial statements, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures:

	Year ended 31 December 2015 Pro forma and statutory £ million	Year ended 31 December 2014 Pro forma £ million	Year ended 31 December 2014 Statutory £ million
Cash basis			
Short-term employee benefits	**3.0**	2.6	–
Post-employment benefits	**0.2**	0.2	–
Termination benefits	**–**	0.4	–
Cash payments under long-term incentive plans	**1.9**	1.4	–
Social security costs	**0.7**	0.6	–
	5.8	5.2	–
Award basis			
Short-term employee benefits	**3.0**	2.8	–
Post-employment benefits	**0.2**	0.2	–
Termination benefits	**–**	0.4	–
Awards under long-term incentive plans	**2.6**	1.0	–
Social security costs	**0.7**	0.6	–
	6.5	5.0	–

In addition to the above amounts, £nil (2014 – £0.1 million) was paid to Nalon Management Services Limited, of which Phil Nolan is a director.

27 EVENTS AFTER BALANCE SHEET DATE

On 29 February 2016, the Group disposed of its shares in one project, British Transport Police (54.17% holding), and agreed to dispose of its shares and subordinated debt in another project, Oldham Housing (95% holding), for total net proceeds of £19.5 million. The disposal of Oldham Housing is subject to satisfying certain conditions and is expected to complete shortly.

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28 DISCLOSURE – SERVICE CONCESSION ARRANGEMENTS

The Group has investments in project companies which are disclosed within investments at FVTPL (see note 12). A number of these project companies are subject to service concession arrangements in the Social Infrastructure, Transport, and Environmental sectors. The concessions vary as to the extent of their obligations but typically require the construction and operation of an asset during the concession period. The concessions may require the acquisition or replacement of an existing asset or the construction of a new asset. The operation of the assets may include the provision of major maintenance and facilities management services. Typically at the end of concession periods the assets are returned to the concession owner; however, on two of the investments held at 31 December 2015 the project company has a right to retain the concession asset.

The rights of the concession owner and concession operator are stated within the project agreements. The rights of the concession owner include provisions to terminate the concession for poor performance of the contract by the operator or in the event of force majeure. The rights of the operator to terminate include the failure of the provider to make payment under the agreement, a material breach of contract and relevant changes of law which would render it impossible for the operator to fulfil its requirements.

Details of the services concession arrangements in project companies as at 31 December 2015 are as follows:

Sector	Company name	Project name	% owned	Short description of concession arrangement	Period of concession Start date	End date	No. of years	Obligations to property, plant and equipment
Social Infrastructure								
Hospitals	Alder Hey (Special Purpose Vehicle) Limited	Alder Hey Children's Hospital	40%	Design, build, finance and operate new hospital in Liverpool.	01/07/2015	30/06/2045	30	Construction of new hospital costing £167 million.
	SA Health Partnership Nominees Pty Limited	New Royal Adelaide Hospital	17.26%	Design, build, finance and operate new hospital in Adelaide, South Australia.	06/11/2011	05/06/2046	35	Construction of new hospital costing AUD $1,850 million.
Justice and Emergency Services	Services Support (BTP) Limited	BTP (British Transport Police)	54.17%	Design, build, finance and operate one office and operate a further six BTP premises.	26/03/1999	28/02/2022	23	Construction costing £2 million.
	Securefuture Wiri Limited	Auckland South Corrections Facility	30%	Design, build, finance and operate a 960 place prison at Wiri, South Auckland, New Zealand.	11/09/2012	17/05/2040	28	Construction costing NZD $270 million.
Defence	Defence Support (St Athan) Limited	DARA Red Dragon	100%	Design, build and finance aircraft maintenance facilities at RAF St. Athan.	01/08/2003	17/12/2019	16	Construction costing £89 million.
Regeneration	Inspiral Oldham Limited	Oldham Housing	95%	Refurbish, finance and operate social housing in Oldham.	30/11/2011	30/11/2036	25	Construction costing £68.1 million.
	Regenter Myatts Field North Limited	Lambeth Housing	50%	Build and refurbish, finance and operate social housing in Lambeth.	04/05/2012	04/05/2037	25	Construction costing £72.6 million.
Other accommodation	Westadium Project Co Pty Limited	New Perth Stadium	50%	Design, build, finance, maintenance and operation of new Perth Stadium in Western Australia.	21/08/2014	31/12/2042	28	Total expenditure of AUD $1.0 billion.

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28 DISCLOSURE – SERVICE CONCESSION ARRANGEMENTS (CONTINUED)

Sector	Company name	Project name	% owned	Short description of concession arrangement	Period of concession Start date	End date	No. of years	Obligations to property, plant and equipment
Transport								
Roads	CountyRoute (A130) plc	A130	100%	Design, build, finance and operate the A130 bypass linking the A12 and A127 in Essex.	01/02/2000	31/01/2030	30	New build at a cost of £76 million.
	Gdansk Transport Company SA	A1 Gdansk Poland	29.69%	Design, build, finance and operate the A1 Motorway in Poland in two phases.	31/08/2004	24/08/2039	35	New build at a cost of €651 million for phase 1 and €900 million for phase 2.
	I-4 Mobility Partners Op Co LLC	I-4 Ultimate	50%	Design, build, finance and operate 21 miles of the I-4 Interstate in Florida, US	04/09/2014	03/09/2054	40	New build at a cost of USD $2.32 billion.
	I-77 Mobility Partners LLC	I-77 Managed Lanes	10%	Design, build, finance and operate 25.9 miles of the I-77 Interstate in Charlotte, North Carolina, US.	20/05/2015	30/11/2068	54	New build at a cost of USD $665 million.
	Severn River Crossing Plc	Severn River Crossing	35%	Design, build, finance and operate a second crossing over the Severn River plus operate and maintain existing crossing.	26/04/1992	No later than 26/04/2022	The earlier of 30 years or until a pre-determined level of revenue achieved	Cost approximately £320 million.
	MAK Mecsek Autopalya Koncesszios Zrt.	M6 Hungary	30%	Design, construction, refurbishment, operation, maintenance and financing of 48 km section of M6 expressway and 32 km of M60 expressway.	01/04/2010	31/10/2037	28	Build and maintain new expressways at a cost of €886 million.
	UK Highways A55 Limited	A55	100%	Design, build, finance and operate the A55, a trunk road running across the island of Anglesey.	16/12/1998	15/12/2028	30	Build new trunk road and maintain existing Menai and Britannia bridges at a cost of £102 million.
	A1 Mobil GmbH & Co. KG	A1 Germany	42.5%	Construct and operate the A1 Autobahn between Bremen and Hamburg in Germany.	04/08/2008	31/08/2038	30	New build at a cost of €417.1 million.
	A-Lanes A15 BV	A15 Netherlands	28%	Design, build, finance and maintain the A15 highway south of Rotterdam (about 40 km).	09/12/2010	30/06/2035	25	Extension of road at construction value of €727 million. Maintenance for 20 years costing in total €204 million (real).
Rail	City Greenwich Lewisham Rail Link plc	City Greenwich Lewisham (DLR)	5%	Construction and operation of infrastructure on Lewisham extension of the Docklands Light Railway (DLR).	01/10/1996	31/03/2021	25	Build 4.2 km extension of the DLR from Isle of Dogs to Lewisham, including boring of tunnels beneath the Thames, at a cost of £205 million.
	Aylesbury Vale Parkway Limited	Aylesbury Vale Parkway	50%	Construction and operation of the Aylesbury Vale Parkway Station.	17/08/2007	13/12/2028	21	Construction costing £15.5 million (of which £11.0 million Council-funded) and maintenance over 20 years.

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28 DISCLOSURE – SERVICE CONCESSION ARRANGEMENTS (CONTINUED)

Sector	Company name	Project name	% owned	Short description of concession arrangement	Period of concession Start date	End date	No. of years	Obligations to property, plant and equipment
Rail (continued)	John Laing Rail Infrastructure Limited	Coleshill Parkway	100%	Construction and operation of the Coleshill Parkway Station.	10/03/2006	18/08/2027	21	Construction costing £7.1 million (of which £5 million Council-funded) and maintenance over 20 years.
	Denver Transit Partners LLC	Denver Eagle P3	45%	Design, build, finance, maintenance and operation of passenger rail systems in Denver, Colorado.	12/08/2010	31/12/2044	34	Construction costing US$1.27 billion consisting of 35 miles of commuter train lines including a commuter rail maintenance facility and rail cars.
	Agility Trains West Limited	IEP (Phase 1)	24%	Delivery and maintenance of intercity train services on the Great Western Main Line (UK) using a fleet of new Super Express Trains and maintenance facilities.	25/05/2012	28/11/2044	33	Construction costing £1.8 billion over 6 years and maintenance costing £65 million per annum over 27.5 years.
	Agility Trains East Limited	IEP (Phase 2)	30%	Delivery and maintenance of intercity train services on the East Coast Main Line (UK) using a fleet of new Super Express Trains and maintenance facilities.	15/04/2014	22/02/2046	32	Construction costing £1.6 billion over 6 years and maintenance costing £77 million per annum over 27.5 years.
	NGR Project Company Pty Limited	New Generation Rollingstock	40%	Provision and maintenance of 75 new six-car trains for Queensland Rail, Australia.	14/01/2014	15/01/2046	32	Construction phase costing AUD $1.8 billion.
	ALTRAC Light Rail Partnership	Sydney Light Rail	32.5%	Design, build, finance, operate and maintain the CBD and South East Light Rail and to operate and maintain the Inner West Light Rail in Sydney, Australia.	25/02/2015	16/03/2034	19	Construction phase costing AUD $1.325 billion.
Street Lighting	Croydon and Lewisham Lighting Services Limited	Croydon & Lewisham Street Lighting	50%	Installation and maintenance of street lighting.	19/04/2011	31/07/2036	25	Replacement column programme costing £74.2 million.
Environmental								
Waste	INEOS Runcorn (TPS) Limited	Manchester Waste TPS Co	37.43%	Design, build, finance and operate a waste CHP plant in Runcorn.	08/04/2009	07/04/2034	25	New waste CHP plant construction costing £233 million.
	Viridor Laing (Greater Manchester) Limited	Manchester Waste VL Co	50%	Design, build and commission 42 facilities comprising waste processing and recycling services in the Greater Manchester area.	08/04/2009	07/04/2034	25	New waste processing facilities with construction costing £401 million.

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29 SUBSIDIARIES AND OTHER INVESTMENTS

Subsidiaries through which the Company holds its investments in project companies, which are held at FVTPL, and subsidiaries that are Service Companies, which are consolidated, are described as "recourse". Project companies in which the Group invests are described as "non-recourse" which means that providers of debt to such project companies do not have recourse beyond John Laing's equity commitments in the underlying projects.

Details of the Company's subsidiaries at 31 December 2015 were as follows:

Name		Country of incorporation	Ownership interest	Recourse/ Non-recourse
Service Companies (consolidated)				
John Laing and Son BV	**	Netherlands	100%	Recourse
John Laing (USA) Limited	*	United Kingdom	100%	Recourse
John Laing Capital Management Limited	*	United Kingdom	100%	Recourse
John Laing Projects & Developments Limited	*	United Kingdom	100%	Recourse
John Laing Services Limited	*	United Kingdom	100%	Recourse
Laing Investments Management Services (Australia) Limited	*	United Kingdom	100%	Recourse
Laing Investments Management Services (Canada) Limited	*	United Kingdom	100%	Recourse
Laing Investments Management Services (Netherlands) Limited	*	United Kingdom	100%	Recourse
Laing Investments Management Services (New Zealand) Limited	*	United Kingdom	100%	Recourse
Laing Investments Management Services (Singapore) Limited	*	United Kingdom	100%	Recourse
Laing Investments Management Services Limited	*	United Kingdom	100%	Recourse
RL Design Solutions Limited	**	United Kingdom	100%	Recourse
Laing Wimpey Alireza Limited	**	Saudi Arabia	33%	Recourse
Wimpey Laing Limited	**	United Kingdom	50%	Recourse
Investment entity subsidiaries (measured at fair value)				
Argon Ventures Limited	**	United Kingdom	100%	Recourse
Croydon PSDH Holdco 2 Limited	**	United Kingdom	100%	Recourse
Croydon PSDH Holdco Limited	**	United Kingdom	100%	Recourse
Denver Rail (Eagle) Holdings Inc.	**	United States	100%	Recourse
Forum Cambridge Holdco Limited	**	United Kingdom	100%	Recourse
Hungary M6 Limited	**	United Kingdom	100%	Recourse
Hyder Investments Limited	**	United Kingdom	100%	Recourse
John Laing Cambridge Limited	**	United Kingdom	100%	Recourse
John Laing Funding Limited	**	United Kingdom	100%	Recourse
John Laing Holdco Limited	*	United Kingdom	100%	Recourse
John Laing Homes Limited	**	United Kingdom	100%	Recourse
John Laing I-4 Holdco Corp	**	United States	100%	Recourse
John Laing I-77 Holdco Corp	**	United States	100%	Recourse
John Laing Infrastructure Limited	**	United Kingdom	100%	Recourse
John Laing Infrastructure (A1 Mobil Holdings) Limited	**	United Kingdom	100%	Recourse
John Laing Infrastructure (German Holdings) Limited	**	United Kingdom	100%	Recourse
John Laing Infrastructure Management Services India Private Limited	**	India	100%	Recourse
John Laing Investments (SLR) BV	**	Netherlands	100%	Recourse
John Laing Investments Limited	**	United Kingdom	100%	Recourse
John Laing Investments (A8 Mobil Holdings) Limited	**	United Kingdom	100%	Recourse
John Laing Investments (German Holdings A8) Limited	**	United Kingdom	100%	Recourse
John Laing Investments (Hornsdale) Pty Limited	**	Australia	100%	Recourse
John Laing Investments Mauritius (Holdings) Limited	**	Mauritius	100%	Recourse
John Laing Investments Mauritius (No.1) Limited	**	Mauritius	100%	Recourse
John Laing Investments Netherlands Holdings BV	**	Netherlands	100%	Recourse
John Laing Investments (LBAJQ) BV	**	Netherlands	100%	Recourse
John Laing Investments (NGR) BV	**	Netherlands	100%	Recourse
John Laing Investments (NRAH) BV	**	Netherlands	100%	Recourse
John Laing Investments NZ Holdings Limited	**	United Kingdom	100%	Recourse
John Laing Investments Overseas Holdings Limited	**	United Kingdom	100%	Recourse
John Laing Investments (Perth Stadium) BV	**	Netherlands	100%	Recourse
John Laing Limited	**	United Kingdom	100%	Recourse
John Laing Projects & Developments (Croydon) Limited	**	United Kingdom	100%	Recourse
John Laing Projects & Developments (Holdings) Limited	**	United Kingdom	100%	Recourse
John Laing Regeneration GP Limited	**	United Kingdom	99%	Recourse
John Laing Social Infrastructure Limited	**	United Kingdom	100%	Recourse

* Subsidiaries owned directly by the Company

** Subsidiaries owned indirectly by the Company

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29 SUBSIDIARIES AND OTHER INVESTMENTS (CONTINUED)

Name		Country of incorporation	Ownership interest	Recourse/ Non-recourse
Investment entity subsidiaries (measured at fair value) (continued)				
Laing Infrastructure Holdings Limited	**	United Kingdom	100%	Recourse
Laing Investment Company Limited	**	United Kingdom	100%	Recourse
Laing Investments Greenwich Limited	**	United Kingdom	100%	Recourse
Laing Property Limited	**	United Kingdom	100%	Recourse
Laing Property Holdings Limited	**	United Kingdom	100%	Recourse
Rail Investments (Great Western) Limited	**	United Kingdom	80%	Recourse
Project subsidiaries (measured at fair value)				
CountyRoute (A130) Plc	**	United Kingdom	100%	Non-recourse
CountyRoute 2 Limited	**	United Kingdom	100%	Non-recourse
CountyRoute Limited	**	United Kingdom	100%	Non-recourse
Defence Support (St Athan) Holdings Limited	**	United Kingdom	100%	Non-recourse
Defence Support (St Athan) Limited	**	United Kingdom	100%	Non-recourse
Dreachmhor Wind Farm (Holdings) Limited	**	United Kingdom	100%	Non-recourse
Dreachmhor Wind Farm Limited	**	United Kingdom	100%	Non-recourse
Education Support (Southend) Limited	**	United Kingdom	100%	Non-recourse
Glencarbry (Holdings) Limited	**	United Kingdom	100%	Non-recourse
Glencarbry Supply Company Limited	**	Ireland	100%	Non-recourse
Glencarbry Windfarm Limited	**	Ireland	100%	Non-recourse
Inspiral Oldham Limited	**	United Kingdom	95%	Non-recourse
Inspiral Oldham Holdings Company Limited	**	United Kingdom	95%	Non-recourse
John Laing (Croydon Development Company) LLP	**	United Kingdom	100%	Non-recourse
John Laing Rail Infrastructure Limited	**	United Kingdom	100%	Non-recourse
KGE Windpark Schipkau-Nord GmbH & Co. KG	**	Germany	100%	Non-recourse
KGE Schipkau-Nord Infrastruktur GmbH & Co. KG	**	Germany	85%	Non-recourse
Klettwitz Schipkau Nord Beteiligungs GmbH	**	Germany	100%	Non-recourse
Klettwitz SN Holdings GmbH	**	Germany	100%	Non-recourse
Klettwitz SN Verwaltungs GmbH	**	Germany	100%	Non-recourse
New Albion Wind (Holdings) Limited	**	United Kingdom	100%	Non-recourse
New Albion Wind Limited	**	United Kingdom	100%	Non-recourse
Rammeldalsberget Vindkraft AB	**	Sweden	100%	Non-recourse
Rammeldalsberget Holding AB	**	Sweden	100%	Non-recourse
Services Support (Surrey) Holdings Limited	**	United Kingdom	100%	Non-recourse
Services Support (Surrey) Limited	**	United Kingdom	100%	Non-recourse
Société d'Exploitation du Parc Eolien Du Tonnerois	**	France	100%	Non-recourse
Svartvallsberget SPW AB	**	Sweden	100%	Non-recourse
Svartvallsberget Holding AB	**	Sweden	100%	Non-recourse
Tonnerois (Holdings) Ltd.	**	United Kingdom	100%	Non-recourse
UK Highways Limited	**	United Kingdom	100%	Non-recourse
UK Highways A55 (Holdings) Limited	**	United Kingdom	100%	Non-recourse
UK Highways A55 Limited	**	United Kingdom	100%	Non-recourse
UK Highways Management Services Limited	**	United Kingdom	100%	Non-recourse
Wind Hold Co 1 Limited	**	United Kingdom	100%	Non-recourse
Wind Project Co 1 Limited	**	United Kingdom	100%	Non-recourse

* Subsidiaries owned directly by the Company

** Subsidiaries owned indirectly by the Company

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2015

29 SUBSIDIARIES AND OTHER INVESTMENTS (CONTINUED)

Details of the Company's joint ventures and investments at 31 December 2015 are as follows:

Name		Country of incorporation	Ownership interest	Recourse/ Non-recourse
Joint ventures				
A Mobil Services GmbH	**	Germany	42.5%	Non-recourse
A1 Mobil GmbH & Co. KG	**	Germany	42.5%	Non-recourse
A-Lanes A15 BV	**	Netherlands	28%	Non-recourse
A-Lanes Management Services BV	**	Netherlands	25%	Non-recourse
Agility Trains West Limited	**	United Kingdom	24%	Non-recourse
Agility Trains East Limited	**	United Kingdom	30%	Non-recourse
Alder Hey (Special Purpose Vehicle) Limited	**	United Kingdom	40%	Non-recourse
ALTRAC Light Rail Partnership	**	Australia	32.5%	Non-recourse
Aylesbury Vale Parkway Limited	**	United Kingdom	50%	Non-recourse
CCURV LLP	**	United Kingdom	50%	Non-recourse
Cramlington Renewable Energy Developments Limited	**	United Kingdom	44.7%	Non-recourse
Croydon and Lewisham Lighting Services Limited	**	United Kingdom	50%	Non-recourse
Denver Transit Partners LLC	**	United States	45%	Non-recourse
Forum Cambridge LLP	**	United Kingdom	50%	Non-recourse
Gdansk Transport Company SA	**	Poland	29.69%	Non-recourse
HWF 1 Pty Limited	**	Australia	30%	Non-recourse
I-4 Mobility Partners Op Co LLC	**	United States	50%	Non-recourse
I-77 Mobility Partners LLC	**	United States	10%	Non-recourse
INEOS Runcorn (TPS) Limited	**	United Kingdom	37.43%	Non-recourse
Laing/Gladedale (Hastings) Limited	**	United Kingdom	50%	Non-recourse
Laing/Gladedale (St Saviours) Limited	**	United Kingdom	50%	Non-recourse
MAK Mecsek Autopalya Koncesszios Zrt.	**	Hungary	30%	Non-recourse
New Forum Cambridge LLP	**	United Kingdom	50%	Non-recourse
NGR Project Company Pty Limited	**	Australia	40%	Non-recourse
Regenter Myatts Field North Limited	**	United Kingdom	50%	Non-recourse
SA Health Partnership Nominees Pty Limited	**	Australia	17.26%	Non-recourse
Securefuture Wiri Limited	**	New Zealand	30%	Non-recourse
Services Support (BTP) Limited	**	United Kingdom	54.17%	Non-recourse
Severn River Crossing Plc	**	United Kingdom	35%	Non-recourse
SPC Management Services BV	**	Netherlands	33.3%	Non-recourse
Speyside Renewable Energy Partnership Limited	**	United Kingdom	43.35%	Non-recourse
Transcend Property Limited	**	United Kingdom	50%	Non-recourse
Viridor Laing (Greater Manchester) Limited	**	United Kingdom	50%	Non-recourse
Westadium Project Co Pty Limited	**	Australia	50%	Non-recourse
Wimpey Laing Iran Limited	**	United Kingdom	50%	Non-recourse
Other investments				
City Greenwich Lewisham Rail Link plc	**	United Kingdom	5%	Non-recourse
John Laing Environmental Assets Group Limited	**	Guernsey	7%	Non-recourse

* Entities owned directly by the Company

** Entities owned indirectly by the Company

COMPANY BALANCE SHEET

as at 31 December 2015

	Notes	At 31 December 2015 £ million	At 31 December 2014 £ million
Non-current assets			
Investments	4	**816.1**	–
Total non-current assets		**816.1**	–
Current assets			
Trade and other receivables	5	**130.4**	–
Total current assets		**130.4**	–
Total assets		**946.5**	–
Current liabilities			
Borrowings	6	**(14.9)**	–
Trade and other payables	7	**(11.4)**	–
Total current liabilities		**(26.3)**	–
Total liabilities		**(26.3)**	–
Net assets		**920.2**	–
Equity			
Share capital	8	**36.7**	–
Share premium	9	**218.0**	–
Other reserves		**0.7**	–
Retained earnings	10	**664.8**	–
Total equity		**920.2**	–

The net assets of the Company at 31 December 2014 were £77. Comprising total assets of £1,077 and total liabilities of £1,000.

The financial statements of John Laing Group plc, registered number 5975300, were approved by the Board of Directors and authorised for issue on 7 March 2016. They were signed on its behalf by:

Patrick O'D Bourke
DIRECTOR
7 March 2016

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2015

	Share capital £ million	Share premium £ million	Other reserves £ million	Retained earnings £ million	Total equity £ million
Balance at 1 January 2015	**–**	**–**	**–**	**–**	**–**
Profit for the year	**–**	**–**	**–**	**170.7**	**170.7**
Shares issued in the period	**36.7**	**723.8**	**–**	**–**	**760.5**
Costs associated with the issue of shares	**–**	**(5.8)**	**–**	**–**	**(5.8)**
Reduction of share premium account	**–**	**(500.0)**	**–**	**500.0**	**–**
Share-based incentives	**–**	**–**	**0.7**	**–**	**0.7**
Dividends paid	**–**	**–**	**–**	**(5.9)**	**(5.9)**
Total comprehensive income for the year	**36.7**	**218.0**	**0.7**	**664.8**	**920.2**
Balance at 31 December 2015	**36.7**	**218.0**	**0.7**	**664.8**	**920.2**

	Share capital £ million	Share premium £ million	Retained earnings £ million	Total equity £ million
Balance at 1 January 2014	–	–	–	–
Profit for the year	–	–	–	–
Balance at 31 December 2014	–	–	–	–

COMPANY CASH FLOW STATEMENT

for the year ended 31 December 2015

	Year ended 31 December 2015 £ million	Year ended 31 December 2014 £ million
Profit before tax	**170.7**	–
Unrealised profit on changes in fair value of investments held at FVTPL	**(171.1)**	–
Increase in trade and other receivables	**(0.3)**	–
Increase in trade and other payables	**0.7**	–
Net cash flow from operating activities	**–**	–
Investing activities		
Acquisition of subsidiaries	**(15.0)**	–
Net cash outflow from investing activities	**(15.0)**	–
Financing activities		
Interest paid	**(6.3)**	–
Dividends paid	**(5.9)**	–
Proceeds on issue of shares	**124.7**	–
Net proceeds from borrowings	**19.0**	–
Increase in intercompany loans	**(116.5)**	–
Net cash inflow from financing activities	**15.0**	–
Net increase in cash and cash equivalents	**–**	–
Cash and cash equivalents at beginning of the year	**–**	–
Cash and cash equivalents at end of year	**–**	–

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to fair value.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2015

1 GENERAL INFORMATION

John Laing Group plc (the "Company") (formerly Henderson Infrastructure Holdco (UK) Limited) is a public limited company incorporated and domiciled in the United Kingdom. The Company's ordinary shares are listed on the London Stock Exchange. The principal activity of the Company is that of an investment holding company.

As permitted by Section 408(2) of the Companies Act 2006, the Company's profit and loss account and statement of total recognised gains and losses are not presented in these financial statements. The amount of profit for the financial year of the company after tax is £170.7 million (2014 – loss £25). The remuneration of the Directors of the Company is shown in the Directors' Remuneration Report on page 50 to 62.

2 ACCOUNTING POLICIES

a) Basis of accounting

These financial statements have been prepared in accordance with IFRS as adopted by the EU and Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) as endorsed by the EU.

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006, except for investments at fair value through profit or loss (FVTPL) which are stated at fair value.

For the reasons set out on page 31, the Company's financial statements are prepared on a going concern basis.

A summary of the principal accounting policies adopted by the Directors, which have been applied consistently throughout the current and preceding years, is shown below.

b) Investments

The Company meets the definition of an Investment Entity under IFRS 10 and as such it has adopted Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27). In accordance with IAS 27 and the Investment Entities standard, the Company has accounted for its investments as follows:

Investments at fair value through profit or loss

The Company has accounted for its investment in John Laing Holdco Limited (formerly Henderson Infrastructure Holdco Limited) at FVTPL, consistent with the Group financial statements. At 31 December 2014 the Company owned 22.46% of John Laing Holdco Limited. The remaining 77.54% was owned by Henderson Infrastructure Holdco (Jersey) Limited (HIHJ), which at 31 December 2014 was the immediate and ultimate parent of John Laing Group plc. During the year ended 31 December 2015, as a result of the restructuring related to the IPO, the Company acquired the remaining share of 77.74% of John Laing Holdco Limited from HIHJ.

Investments at cost

During the year ended 31 December 2015, as a result of the restructuring pre-IPO the Company became the direct shareholder in subsidiary companies which provide services in relation to the Company's investment activities or hold the Group's retirement benefit obligations (Service Companies). These subsidiaries include the investments in Laing Investments Management Services Limited, Laing Investments Management Services (Australia) Limited, Laing Investments Management Services (Canada) Limited, Laing Investments Management Services (Netherlands) Limited, Laing Investments Management Services (New Zealand) Limited, Laing Investments Management Services (Singapore) Limited, John Laing (USA) Limited, John Laing Projects & Developments Limited, John Laing Services Limited and John Laing Capital Management Limited.

Under IAS 27, the Company has elected to account for its interest in these subsidiary companies at cost less any amounts written-off for any permanent diminution in value. These investments are consolidated in the Group financial statements.

c) Taxation

The tax charge or credit represents the sum of tax currently payable.

Current tax payable is based on taxable profit for the year. Taxable profit differs from net profit because it excludes both items of income or expense that are taxable or deductible in other years and 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 balance sheet date.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2015

2 ACCOUNTING POLICIES (CONTINUED)

d) Financial instruments

Financial assets and financial liabilities are recognised on the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition in accordance with IAS 39 Financial Instruments: Recognition and Measurement and IFRS 13 Fair Value Measurement.

i) Financial assets

The Company classifies its financial assets in the following categories: investments at fair value through profit or loss and loans and receivables and investments at cost. The classification depends on the purpose for which the financial assets were acquired. The Company determines the classification of its financial assets at initial recognition.

a) Investments at fair value through profit or loss

The Company's accounting policy in respect of investments at fair value through profit or loss is set out in section 2(b) above.

The value of the Company's investment in John Laing Holdco Limited is measured as the fair value of the assets and liabilities of that company. John Laing Holdco Limited is also an investment entity and fair values its investment in John Laing Limited, which is an intermediary holding company for the Group's investments in project subsidiaries and joint ventures. The fair value in John Laing Holdco Limited is determined by the fair value of the investment in those project subsidiaries and joint ventures, as disclosed in note 12 of the Group Financial Statements, and by its other assets and liabilities which are accounted for at cost. The other assets and liabilities of John Laing Holdco Limited include amounts due from/to subsidiaries and the Directors consider their cost to approximates to their fair value.

At 31 December 2014, the Company's investment was valued at nil as a result of the fair value of the loan from John Laing Holdco Limited's ultimate parent undertaking being in excess of the fair value of its assets.

b) Loans and receivables

The Company's loans and receivables comprise cash and cash equivalents and amounts owed by subsidiary undertakings and are recorded at amortised cost.

c) Investments at cost

The Company's investments at cost comprise its investments in Service Companies (see note 2 b for further details) which are held at cost less impairments.

ii) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

a) Equity instruments – share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or associated with the establishment of the Company that would otherwise have been avoided are written off against the balance of the share premium account.

b) Financial liabilities

Financial liabilities are classified as other financial liabilities, comprising loans and borrowings which are initially recognised at the fair value of the consideration received and subsequently at amortised cost using the effective interest rate method.

e) Dividend payments

Dividends on the Company's ordinary shares are recognised when they have been appropriately authorised and are no longer at the Company's discretion. Accordingly, interim dividends are recognised when they are paid and final dividends are recognised when they are declared following approval by shareholders at the Company's AGM. Dividends are recognised as an appropriation of shareholders' funds.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2015

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The key area of the financial statements where the Company is required to make critical judgements and material accounting estimates is in respect of the fair value of investments held by the Company. The methodology for determining the fair value of investments is set out in note 2 of the Group Financial Statements.

4 INVESTMENTS

	31 December 2015 £ million	31 December 2014 £ million
At 1 January 2015	**–**	–
Acquisition of investments at cost less impairment	**15.0**	–
Acquisition of investments at FVTPL	**630.0**	–
Fair value movement	**171.1**	–
	816.1	–
Investments at FVTPL*	**801.1**	–
Investments at cost less impairment	**15.0**	–
	816.1	–

* Net gain on investments at fair value through profit or loss for the year ended 31 December 2015 is £171.1 million (2014 – £nil).

Details of investments recognised at fair value through profit or loss are as follows:

Investments	Treatment	**2015 Equity**	2014 Equity
John Laing Holdco Limited	Fair valued	**100.0%**	22.46%
John Laing (USA) Limited	Cost less impairment	**100.0%**	–
John Laing Capital Management Limited	Cost less impairment	**100.0%**	–
John Laing Projects & Developments Limited	Cost less impairment	**100.0%**	–
John Laing Services Limited	Cost less impairment	**100.0%**	–
Laing Investments Management Services (Australia) Limited	Cost less impairment	**100.0%**	–
Laing Investments Management Services (Canada) Limited	Cost less impairment	**100.0%**	–
Laing Investments Management Services (Netherlands) Limited	Cost less impairment	**100.0%**	–
Laing Investments Management Services (New Zealand) Limited	Cost less impairment	**100.0%**	–
Laing Investments Management Services (Singapore) Limited	Cost less impairment	**100.0%**	–
Laing Investments Management Services Limited	Cost less impairment	**100.0%**	–

All entities are incorporated in the United Kingdom.

5 TRADE AND OTHER RECEIVABLES

	31 December 2015 £ million	31 December 2014 £ million
Due within one year:		
Amounts owed by subsidiary undertakings	**130.4**	–
	130.4	–

The amounts owed by subsidiary undertakings in the current and year are repayable on demand and interest is charged at arm's length interest rates.

6 BORROWINGS

	31 December 2015 £ million	31 December 2014 £ million
Interest bearing loans and borrowings net of unamortised financing costs	**(14.9)**	–
	(14.9)	–

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2015

7 TRADE AND OTHER PAYABLES

	31 December 2015 £ million	31 December 2014 £ million
Amounts owed to subsidiary undertakings	(10.9)	–
Accruals and deferred income	(0.5)	–
	(11.4)	–

At 31 December 2014, the Company had a loan of £1,000 from the Company's then parent undertaking, Henderson Infrastructure Holdco (Jersey) Limited. The loan was interest-free and repayable on demand.

8 SHARE CAPITAL

	31 December 2015 No.	31 December 2014 No.
Authorised:		
Ordinary shares of £0.00000001 each	–	100,000,000
Ordinary shares of £0.10 each	366,923,076	–
	366,923,076	100,000,000
	£ million	£ million
Alloted, called up and fully paid:		
366,923,976 ordinary shares (31 December 2014 – 100,000,000) of £0.10 (31 December 2014 – £0.00000001) each	36.7	–
	36.7	–

The Company has one class of ordinary shares which carry no right to fixed income.

	31 December 2015 No.	31 December 2015 £ million	31 December 2014 No.	31 December 2014 £ million
Allotted, called up and fully paid:				
At 1 January – 100,000,000 ordinary shares of £0.00000001 each	100,000,000	–	100,000,000	–
Issue of 100,000,000 ordinary shares of £0.00000001 each	100,000,000	–	–	–
Conversion of 200,000,000 ordinary shares of £0.00000001 each to 20 ordinary shares of £0.10 each	(199,999,980)	–	–	–
Issue of 299,999,980 ordinary shares of £0.10 each	299,999,980	30.0	–	–
Issue of 66,923,076 ordinary shares of £0.10 each	66,923,076	6.7	–	–
At 31 December	366,923,076	36.7	100,000,000	–

9 SHARE PREMIUM

On 26 January 2015 the Company allotted to its shareholder 100,000,000 ordinary shares of £0.00000001 each credited as fully paid to rank pari passu with the existing ordinary shares. On 27 January 2015 all the ordinary shares were consolidated into 20 ordinary shares of £0.10 each, each share having the same rights and being subject to the same restrictions (except as to nominal value) as the existing ordinary shares of £0.00000001 each in the Company as set out in its Articles. On the same day the Company allotted and issued to its shareholder a further 299,999,980 ordinary shares of £0.10 each at a premium of £2.00 per share, each to rank pari passu with the existing ordinary shares of £0.10 each in the capital of the Company. In addition, the Company undertook a reduction of its share premium account by £500 million.

On 17 February 2015, the Company issued 66,923,076 new ordinary shares of £0.10 each at a premium of £1.85 per share in connection with admission of its shares to listing.

	2015 £ million	2014 £ million
Opening balance	–	–
Premium arising on issue of equity shares	723.8	–
Reduction of share premium account	(500.0)	–
Costs associated with the issue of equity shares	(5.8)	–
Closing balance	218.0	–

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2015

10 RETAINED EARNINGS

	2015 £ million	2014 £ million
Opening balance	–	–
Net profit for the year	170.7	–
Transfer from share premium account	500.0	–
Dividend paid	(5.9)	–
Closing balance	664.8	–

11 FINANCIAL INSTRUMENTS

Financial risk exposure is addressed on a Group basis rather than a company only basis. The Company's risk management programme is disclosed in detail in the Group accounts in note 17 and in the Financial Review section.

	Loans and receivables £ million	Assets at FVTPL £ million	Investments at cost less impairments £ million	Financial liabilities at amortised cost £ million	Total £ million
Fair value measurement method	n/a	Level 3	n/a	n/a	
31 December 2015					
Non-current assets					
Investments	–	801.1	15.0	–	816.1
Current assets					
Trade and other receivables	130.4	–	–	–	130.4
Total financial assets	130.4	801.1	15.0	–	946.5
Current liabilities					
Interest-bearing loans and borrowings	–	–	–	(14.9)	(14.9)
Trade and other payables	–	–	–	(11.4)	(11.4)
Total financial liabilities	–	–	–	(26.3)	(26.3)
Net financial instruments	**130.4**	**801.1**	**15.0**	**(26.3)**	**920.2**

	Loans and receivables £ million	Assets at FVTPL £ million	Investments at cost less impairments £ million	Financial liabilities at amortised cost £ million	Total £ million
Fair value measurement method	n/a	Level 3	n/a	n/a	
31 December 2014					
Non-current assets					
Investments	–	–	–	–	–
Current assets					
Trade and other receivables	–	–	–	–	–
Total financial assets	–	–	–	–	–
Current liabilities					
Trade and other payables	–	–	–	–	–
Total financial liabilities	–	–	–	–	–
Net financial instruments	–	–	–	–	–

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2015

12 TRANSACTIONS WITH RELATED PARTIES

Trading transactions

The Company has entered into loans with its subsidiaries, with interest being charged at arms length rates. Hence, the Company incurs interest expense and earns interest income on these loans.

	Year ended 31 December 2015 £ million	Year ended 31 December 2014 £ million
Amounts owed by subsidiary undertakings	**130.4**	–
Amounts owed to subsidiary undertakings	**(10.9)**	–
Interest income received	**3.6**	–
Interest paid	**(0.6)**	–

13 GUARANTEES AND OTHER COMMITMENTS

As at 31 December 2015 the Company was a guarantor under the Group's £350.0 million corporate banking facility and associated ancillary facilities. At 31 December 2015, the total amount utilised under these facilities, and hence guaranteed by the Company, was £174.3 million (31 December 2014 – the Company was not a guarantor).

NOTICE OF ANNUAL GENERAL MEETING

to be held at the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HS on 12 May 2016 at 11.00 am

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from an independent stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or otherwise transferred all of your ordinary shares in John Laing Group plc, please pass this document together with the accompanying documents to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, so they can pass these documents to the person who now holds the shares.

A form of proxy for the annual general meeting (AGM) is enclosed and should be completed and returned as soon as possible in accordance with the instructions printed on the form of proxy. To be valid, it must reach the Company's registrar, Equiniti, no later than 48 hours before the time of the AGM. Alternatively, you may register your vote online by visiting the registrar's website at www.sharevote.co.uk or, if you already have a portfolio registered with Equiniti, by logging onto www.shareview.co.uk.

In order to register your vote online you will need to enter the Voting I.D., Task I.D. and Shareholder Reference Number which are on the enclosed form of proxy. If you are a member of CREST, the electronic settlement system for UK securities, you may register the appointment of a proxy by using the CREST electronic proxy appointment service. Further details are contained in the notes to the notice of AGM (see pages 127 and 128 of this document) and in the form of proxy. Electronic and CREST proxy voting instructions should also be submitted no later than 11.00am on 10 May 2016. Completion of a form of proxy or the appointment of a proxy electronically will not stop you from attending the meeting and voting in person should you so wish.

CHAIRMAN'S LETTER

NOTICE OF ANNUAL GENERAL MEETING

Dear Shareholder,

I am writing to you with details of the annual general meeting (AGM) of John Laing Group plc (John Laing or the Company) which we are holding at 65 Fleet Street, London EC4Y 1HS on 12 May 2016 at 11.00am. As this will be our first AGM following the Company's listing on the London Stock Exchange (IPO) in February 2015, we very much hope that as many shareholders as possible will be able to attend.

Voting on all the proposed resolutions at the AGM will be conducted on a poll rather than on a show of hands. Voting on a poll is more transparent and equitable because it includes the votes of all shareholders, including those cast by proxies, rather than just the votes of those shareholders who attend the meeting.

Shareholders of the Company will be asked to consider and, if thought fit, approve resolutions in respect of the following matters:

Ordinary business

The Company's accounts and the reports of the Directors of the Company (the Directors) and the auditor of the Company (the external auditor);

The final dividend for the year ended 31 December 2015;

Re-election of Directors;

Approval of the remuneration report for the year ended 31 December 2015;

Reappointment of Deloitte LLP as auditor for the ensuing year;

Authority to determine the remuneration of the auditor;

Authority to allot shares; and

Authority to make political donations.

Special business

Waiver of pre-emption rights in certain circumstances;

Authority for the Company to purchase its own shares; and

Approval to reduce the notice period for a general meeting, other than an annual general meeting.

A brief description of these matters is set out below.

Notice of AGM

The formal notice of the AGM is set out on pages 125 to 128 of this document.

Report and accounts and final dividend
(resolutions 1 and 2)

The first resolution at the AGM relates to the receipt and consideration of the Company's accounts and the reports of the Directors and the external auditor for the financial year ended 31 December 2015.

Separately, shareholders will also be asked to approve the payment of a final dividend of 5.3 pence per ordinary share in respect of the year ended 31 December 2015, as recommended by the Directors.

If the recommended final dividend is approved, it is proposed that the dividend will be paid on 20 May 2016 to shareholders on the Company's register of members at the close of business on 22 April 2016 (the record date).

Re-election of directors
(resolutions 3 to 9)

In accordance with the UK Corporate Governance Code (the Code), all the Directors of the Company being eligible will offer themselves for re-election at the AGM. The re-election of directors will take effect from the conclusion of the meeting.

Following the evaluation exercise conducted in early 2016, as Chairman, I believe that the contribution and performance of each of the Directors continues to be valuable and effective and that it is appropriate for them to continue to serve as Directors of the Company.

In accordance with the Code, the Board has reviewed the independence of its non-executive Directors and has determined that they remain fully independent of management and that there are no relationships or circumstances likely to affect their character or judgement.

Biographical details for each of the Directors offering themselves for re-election are set out in pages 40 to 41.

CHAIRMAN'S LETTER (CONTINUED)

Directors' remuneration report
(resolution 10)

The Company believes that the Directors' remuneration report, which may be found on pages 50 to 62 of the annual report and accounts, demonstrates the link between our remuneration policy and practice, and the Company's strategy and performance.

The Directors' remuneration policy, a summary of which may be found on pages 52 to 57 of the annual report and accounts, sets out the Company's forward-looking policy on directors' remuneration and describes the components of the executive and non-executive Directors' remuneration.

The Board considers that appropriate executive remuneration plays a vital part in helping to achieve the Company's overall objectives and, accordingly, and in compliance with the legislation, shareholders will be invited to approve the Directors' remuneration report and separately the Directors' remuneration policy.

The annual report on remuneration is included in the Directors' remuneration report and provides details of the remuneration paid to the Directors during the year ended 31 December 2015, including share awards. Shareholders are invited to approve the annual report on remuneration under resolution 10. This vote is advisory in nature in that payments made or promised to Directors will not have to be repaid, reduced or withheld in the event that the resolution is not passed. This vote will be in respect of the content of the annual report on remuneration and not specific to any Director's level or terms of remuneration.

External Auditor
(resolutions 11 and 12)

Resolutions will be proposed to reappoint Deloitte LLP as external auditor until the conclusion of the AGM in 2017 and to authorise the Directors to determine their remuneration.

Directors' authority to allot shares
(resolution 13)

Further to the provisions of section 551 of the Companies Act 2006 (the Act), shareholders will be asked to grant the Board of Directors the authority to allot shares, grant rights to subscribe for shares, or convert any security into shares in the Company (the new authority). The new authority would be valid until the close of the AGM in 2017.

If passed, the new authority would be limited to up to 122,307,692 ordinary shares (representing approximately 33.3% of the Company's issued ordinary share capital as at 7 March 2016 being the latest practicable date prior to the publication of this notice) save that, if the new authority were used in connection with a rights issue, it would be limited to up to 244,615,384 ordinary shares (representing approximately 66.6% of the company's issued share capital as at 7 March 2016).

In each case the number of shares to which the new authority applies is in addition to those committed to the various employee share plans. At the date this document was approved by the Board, the Directors had no intention to exercise this authority, although they considered its grant to be appropriate in order to preserve maximum flexibility for the future. The Directors intend to seek the approval of shareholders to renew this authority annually.

Political donations
(resolution 14)

The Act restricts companies from making donations to political parties, other political organisations or independent election candidates and from incurring political expenditure, in each case without shareholders' consent. It is not proposed or intended to alter the Company's policy of not making such donations or incurring such expenditure. However, the Act contains some potentially broad definitions and it may be that some of the activities of the Company and its subsidiaries fall within these definitions and, without the necessary authorisation, this could inhibit the Company's ability to communicate its views effectively to political audiences and to relevant interest groups. Accordingly, the Company believes that the authority contained in this resolution is necessary to allow it and its subsidiaries to fund activities which it is in the interests of shareholders that the John Laing group of companies should support. Such authority will enable the Company and its subsidiaries to be sure that they do not unintentionally commit a technical breach of the Act. Any expenditure which may be incurred under authority of this resolution will be disclosed in next year's annual report and accounts. It is the Company's intention to seek renewal of this resolution on an annual basis.

Waiver of pre-emption rights
(resolution 15)

Under section 561(1) of the Act, if the Directors wish to allot ordinary shares, or grant rights to subscribe for, or convert securities into, ordinary shares, or sell treasury shares for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors need the flexibility to finance business opportunities by the issue of shares without a pre-emptive offer to existing shareholders. This cannot be done under the Act unless the shareholders have first waived their pre-emption rights, so a resolution will be proposed to waive these statutory pre-emption provisions for a period ending at the close of the AGM in 2017.

Accordingly, this resolution proposes that authority is granted to the Board to issue equity securities for cash consideration either (i) by way of a rights or other pre-emptive issue or (ii) by way of a non-pre-emptive issue, in the latter case limited to a total of 36,692,307 ordinary shares, representing approximately 10% of the Company's issued ordinary share capital as at 7 March 2016. This resolution is conditional on resolution 13 being passed.

At the date this document was approved by the Board, the Directors had no intention to exercise this authority, although they considered its grant to be appropriate in order to preserve maximum flexibility for the future. The Directors intend to comply with the Pre-Emption Group's Statement of Principles and not to allot shares for cash on a non pre-emptive basis (i) in excess of an amount equal to 5 per cent of the total issued ordinary share capital of the Company excluding treasury shares; or (ii) in excess of an amount equal to 7.5 per cent of the total issued ordinary share capital of the Company excluding treasury shares within a rolling three-year period, without prior consultation with shareholders, in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment. The Directors intend to seek the approval of shareholders to renew this authority annually.

Authority to purchase own shares
(resolution 16)

Shareholders will be asked to authorise the market purchase by John Laing of a proportion of its issued ordinary share capital, subject to the limits referred to below.

The Directors consider it prudent to be able to act at short notice if circumstances warrant. In considering the purchase of ordinary shares, the Directors will follow the procedures laid down in the Act and will take into account cash resources, capital requirements and the effect of any purchase on gearing levels and on NAV and earnings per share. They will only consider exercising the authority when satisfied that it would be in the best interests of the Company and its shareholders as a whole to do so, having first considered any other investment opportunities open to the Company.

Any purchase by the Company of its own shares pursuant to this authority will be paid for out of distributable profits. Any shares which are repurchased will be dealt with in accordance with section 724 of the Act. The Company is entitled to hold the shares as treasury shares, sell them for cash, cancel them or transfer them pursuant to an employee share plan. The authority, which will expire at the close of the AGM in 2017, will be limited to the purchase of 36,692,307 ordinary shares, representing approximately 10% of John Laing's issued ordinary share capital as at 7 March 2016. The maximum price (excluding expenses) to be paid per ordinary share on any occasion will be restricted to the higher of (i) 105% of the average of the middle market quotations of an ordinary share of the Company derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased and (ii) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current bid for an ordinary share as derived from the London Stock Exchange Trading System. The minimum price will be 10p per ordinary share which is the nominal value of the shares.

Shareholders should understand that the maximum number of shares and the price range are stated merely for the purposes of compliance with statutory and Financial Conduct Authority (FCA) requirements in seeking this authority and should not be taken as any indication of the terms upon which the Company intends to make such purchases. At the date this document was approved by the Board, the Directors had no intention to exercise this authority.

Any purchases of ordinary shares would be by means of market purchases through the London Stock Exchange. Any shares purchased under this authority may either be cancelled or held as treasury shares. Treasury shares may subsequently be cancelled, sold for cash or used to satisfy options issued to employees pursuant to the Company's employees' share schemes.

The Company's issued share capital as at 7 March 2016 (the latest practicable date prior to the publication of this document) was 366,923,076 ordinary shares of 10p each. The total number of awards over ordinary shares which were outstanding as at 7 March 2016 was approximately 1,763,030 which represents approximately 0.48% of the issued share capital of the Company at that date. If the maximum number of 36,692,307 shares were to be purchased by the Company (under resolution 16), the adjusted issued share capital would be 330,230,769 and the awards outstanding would represent approximately 0.53% of the adjusted issued share capital.

CHAIRMAN'S LETTER (CONTINUED)

Notice of general meetings
(resolution 17)

The Act sets the notice period required for general meetings of the Company at 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. This resolution seeks such approval. It is intended that the shorter notice period would not be used as a matter of routine for such meetings but only where the flexibility is merited by the business of the meeting and is thought to be in the interests of shareholders as a whole. The Company undertakes to meet the requirements for electronic voting in the Act before calling a general meeting on 14 clear days' notice. If given, the approval will be effective until the Company's next AGM, when it is intended that a renewal of the approval will be proposed.

Annual General Meeting

The resolutions referred to in this letter are included in the notice of AGM set out on pages 125 to 128 of this document. The AGM is to be held at 65 Fleet Street, London EC4Y 1HS at 11.00am on 12 May 2016. If you are unable to attend the AGM, please complete and return the enclosed form of proxy in the prepaid envelope provided so as to reach the Company's registrar, Equiniti, not less than 48 hours before the time of the AGM. Alternatively, you may register your vote online by visiting the registrar's website at www.sharevote.co.uk or, if you already have a portfolio registered with Equiniti, by logging onto www.shareview.co.uk. In order to register your vote online you will need to enter the Voting I.D., Task I.D. and Shareholder Reference Number which are on the enclosed form of proxy. If you are a member of CREST, you may register the appointment of a proxy by using the CREST electronic proxy appointment service.

Further details are contained in the notes to the notice of AGM and in the form of proxy.

Completion of a form of proxy or the appointment of a proxy electronically, will not stop you from attending the AGM and voting in person should you so wish. If you are unable to attend the AGM but would like to ask a question, please e-mail carolyn.cattermole@laing.com.

Recommendation

The Directors consider that all the resolutions to be put to the AGM are in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company. Your Board will be voting in favour of all the proposed resolutions and unanimously recommends that you do so as well.

Yours sincerely,

Phil Nolan
CHAIRMAN

Registered Office:
1 Kingsway
London WC2B 6AN
United Kingdom

John Laing Group plc
Registered in England and Wales No. 5975300

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting will be held at the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HS on 12 May 2016 at 11.00am. You will be asked to consider and vote on the resolutions below. Resolutions 14 to 16 (inclusive) will be proposed as special resolutions. All other resolutions will be proposed as ordinary resolutions.

ORDINARY RESOLUTIONS

1. To receive and consider the audited accounts of the Company for the year ended 31 December 2015 and the report of the Directors and auditor thereon.
2. To declare a final dividend of 5.3 pence per ordinary share for the year ended 31 December 2015 as recommended by the Directors.
3. To re-elect Phil Nolan as Director of the Company with effect from the end of the meeting.
4. To re-elect Olivier Brousse as Director of the Company with effect from the end of the meeting.
5. To re-elect Patrick O'Donnell Bourke as Director of the Company with effect from the end of the meeting.
6. To re-elect David Rough as Director of the Company with effect from the end of the meeting.
7. To re-elect Jeremy Beeton as Director of the Company with effect from the end of the meeting.
8. To re-elect Toby Hiscock as Director of the Company with effect from the end of the meeting.
9. To re-elect Anne Wade as Director of the Company with effect from the end of the meeting.
10. To receive and approve the Directors' Remuneration Report contained within the annual report and accounts for the financial year ended 31 December 2015.
11. To re-appoint Deloitte LLP as the Company's auditor to hold office until the conclusion of the next general meeting of the company at which accounts are laid.
12. To authorise the Directors to agree the auditors' remuneration.
13. To consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution:

    (a) THAT, pursuant to section 551 of the Companies Act 2006 (the Act), the Board be authorised to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company:

    (i) up to an aggregate nominal amount of £12,230,769.20; and

    (ii) comprising equity securities, as defined in the Act, up to an aggregate nominal amount of £24,461,538.40 (including within such limit any shares or rights issued or granted under (i) above) in connection with an offer by way of a rights issue:

    (A) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

    (B) to people who are holders of other equity securities if this is required by the rights of those securities or, if the Board considers it necessary, as permitted by the rights of those securities;

    and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such authorities to expire (unless previously reviewed, varied or revoked by the Company in general meeting) at the close of the AGM in 2017 provided that, in each case, the Company may make offers and enter into agreements during the relevant period which would, or might, require shares in the Company to be allotted or rights to subscribe for, or convert any security into, shares to be granted, after the authority expires and the Board may allot shares in the Company and grant rights under any such offer or agreement as if the authority had not expired.
14. To consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution:

    (a) THAT the Company and all companies that are its subsidiaries, at any time up to the end of the AGM in 2017, be authorised, in aggregate, to:

    (i) make political donations to political parties and/or independent election candidates not exceeding £50,000 in total;

    (ii) make political donations to political organisations other than political parties not exceeding £100,000 in total; and

    (iii) incur political expenditure not exceeding £50,000 in total.

    For the purposes of this authority the terms "political donation", "political parties", "independent election candidates", "political organisation" and "political expenditure" have the meanings given by sections 363 to 365 of the Act.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

SPECIAL RESOLUTIONS

15. To consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

    (a) THAT, subject to resolution 13 being passed, the Board be given authority to allot equity securities for cash under the authority given by that resolution, free of the restriction in section 561(1) of the Act, such authority to be limited:

    (i) to the allotment of equity securities in connection with an offer of equity securities (but in the case of the authority granted under resolution 13(a)(ii), by way of a rights issue only):

    (A) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

    (B) to people who are holders of other equity securities, if this is required by the rights of those securities or, if the Board considers it necessary, as permitted by the rights of those securities;

    and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

    (ii) in the case of the authority granted under resolution 13(a)(i), to the allotment (otherwise than under 15(a)(i) above) of equity securities with an aggregate nominal value of up to £3,669,230.70,

    such authority to expire (unless previously reviewed, varied or revoked by the Company in general meeting) at the close of the AGM in 2017 provided that during the relevant period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted after the authority expires and the Board may allot equity securities under any such offer or agreement as if the authority had not expired.

16. To consider and, if thought fit, to pass the following resolution which will be proposed as a special resolution:

    (a) THAT, the Company is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Act) of ordinary shares of 10p each in the capital of the Company provided that: (i) the maximum number of ordinary shares hereby authorised to be purchased is 36,692,307; (ii) the minimum price (exclusive of expenses) which may be paid for an ordinary share is 10p per share; (iii) the maximum price (exclusive of expenses) which may be paid for an ordinary share is, in respect of an ordinary share contracted to be purchased on any day, the higher of (a) an amount equal to 105% of the average of the middle market quotations of an ordinary share of the Company derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the ordinary share is contracted to be purchased and (b) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share as derived from the London Stock Exchange Trading System; (iv) the authority hereby conferred shall expire at the close of the AGM in 2017; and (v) during the relevant period the Company may make a contract to purchase ordinary shares under this authority prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract as if the authority had not expired.

17. That a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.

By order of the Board

Carolyn Cattermole
COMPANY SECRETARY
7 March 2016

Registered Office:
1 Kingsway
London WC2B 6AN
United Kingdom

John Laing Group plc
Registered in England and Wales No. 5975300

Notes

1. The right to attend and vote at the meeting is determined by reference to the Company's register of members. Only a member entered in the register of members at 6:00 p.m. on 10 May 2016 (or, if this meeting is adjourned, in the register of members at 6.00p.m. two days before the time of any adjourned meeting) is entitled to attend and vote at the meeting and a member may vote in respect of the number of ordinary shares registered in the member's name at that time. Changes to the entries in the register of members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

2. Any shareholder or nominee shareholder may appoint one or more persons (whether shareholders of the Company or not) to act as his/her proxy or proxies to attend, speak and vote instead of him/her. The form of proxy for use at the meeting must be deposited, together with any power of attorney or authority under which it is signed, at Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, not less than 48 hours before the time appointed for the AGM or any adjournment thereof. An appropriate form of proxy is enclosed. Alternatively, you may register your vote online by visiting www.sharevote.co.uk or, if you already have a portfolio registered with Equiniti, by logging onto www.shareview.co.uk. In order to register your vote online you will need to enter the Voting I.D., Task I.D. and Shareholder Reference Number which are on the enclosed form of proxy.

3. CREST members who wish to appoint a proxy or proxies, or amend an instruction to a previously appointed proxy, through the CREST electronic proxy appointment service may do so for the AGM to be held at 11.00am on 12 May 2016 and any adjournment(s) thereof, by using the procedures described in the CREST manual (available via www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

   In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it relates to the appointment of a proxy or to an instruction to a previously appointed proxy, must be transmitted so as to be received by the issuer's agent (ID: RA19) by no later than 11.00am on 10 May 2016. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

   CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) is/are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

   The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4. Completion of a form of proxy, or the appointment of a proxy electronically, will not stop you from attending the meeting and voting in person should you so wish.

   Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

   Shareholders may revoke a proxy instruction delivered pursuant to note 2, but to do so must inform the Company in writing by sending a signed hard copy notice clearly stating their intention to revoke the proxy appointment to Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by the Company no later than the cut-off time (48 hours before the time appointed for the AGM) set out above. If a shareholder attempts to revoke their proxy appointment but the revocation is received after the time specified, such shareholder's original proxy appointment will remain valid unless the shareholder attends the AGM and votes in person.

   The 2016 AGM will be held at the offices of Freshfields Bruckhaus Deringer LLP, 65 Fleet Street, London EC4Y 1HS on 12 May 2016 at 11.00am.

   In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. For this purpose seniority is determined by the order in which the names of the joint holders appear in the Company's register of members (the first-named being the most senior).

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Notes (continued)

5. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise, on its behalf, all of its powers as a shareholder, provided that no more than one corporate representative exercises powers over the same share.
6. Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

   The statement of the rights of shareholders in relation to the appointment of proxies in paragraph 2 above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by shareholders of the Company.
7. As at 7 March 2016 (being the last practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 366,923,076 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 7 March 2016 are 366,923,076 votes.
8. Under section 527 of the Act, members meeting the threshold requirements set out in that section have the right to require the Company to publish a statement on a website setting out any matter relating to:
   - the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or
   - any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid.

   The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Act to publish on a website.
9. Any shareholder, proxy or corporate representative attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if:
   - to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
   - the answer has already been given on a website in the form of an answer to a question; or
   - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
10. The following documents will be available for inspection during normal business hours on any business day at the Company's registered office and will also be available during the AGM and for 15 minutes beforehand:
    - copies of the Directors' service contracts with, or letters of appointment by, the Company; and
    - the articles of association of the Company.
11. A copy of this notice, and other information required by section 311A of the Act, can be found at www.laing.com.
12. You may not use any electronic address provided either in this notice or any related documents (including the form of proxy) to communicate with the Company for any purpose other than those expressly stated.
13. The results of the voting at the AGM will be announced through a Regulatory Information Service and will appear on the Company's website (www.laing.com/investor-relations/regulatory-news.html) as soon as possible following the AGM.

SHAREHOLDER INFORMATION

FINANCIAL DIARY

21 April 2016	Ex-dividend date for final dividend
22 April 2016	Record date for final dividend
12 May 2016	Annual General Meeting
20 May 2016	Payment of final dividend
August 2016	Announcement of half year results
October 2016	Interim dividend expected to be paid

REGISTERED OFFICE AND ADVISERS

Secretary and Registered Office
C Cattermole
John Laing Group plc
1 Kingsway
London WC2B 6AN
Registered No: 5975300

AUDITOR

Deloitte LLP
2 New Street Square
London EC4A 3BZ

SOLICITORS

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS

PRINCIPAL GROUP BANKS

Barclays Bank PLC
1 Churchill Place
London E14 5HP

HSBC Bank plc
60 Queen Victoria Street
London EC4N 4TR

Australia and New Zealand Banking Group Limited
40 Bank Street
London E14 5EJ

Bank of Tokyo-Mitsubishi
Ropemaker Place
25 Ropemaker Street
London EC2Y 9AN

Sumitomo Mitsui Banking Corporation
99 Queen Victoria Street
London EC4V 4EH

Crédit Agricole Corporate and Investment Bank
Broadwalk House
5 Appold Street
London EC2A 2DA

JOINT STOCKBROKERS

Barclays Bank PLC
5 The North Colonnade
London E14 4BB

HSBC Bank plc
8 Canada Square
London E14 5HQ

INDEPENDENT VALUERS

KPMG LLP
15 Canada Square
London E14 5GL

REGISTRARS

Equiniti
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Please contact the Registrars at the address above to advise of a change of address or for any enquiries relating to dividend payments, lost share certificates or other share registration matters. The Registrars provide on-line facilities at www.shareview.co.uk. Once you have registered you will be able to access information on your John Laing Group plc shareholding, update your personal details and amend your dividend payment instructions on-line without having to call or write to the Registrars.

REGISTRARS QUERIES

Information on how to manage your shareholdings can be found at https://help.shareview.co.uk. The pages at this web address provide answers to commonly asked questions regarding shareholder registration, links to downloadable forms and guidance notes.

If your question is not answered by the information provided, you can send your enquiry via secure email from the pages at https://help.shareview.co.uk. You will be asked to complete a structured form and to provide your Shareholder Reference, name and address. You will also need to provide your email address if this is how you would like to receive your response.

Alternatively you can telephone: 0371 384 2030. Lines are open 8.30am to 5.30pm Monday to Friday.

Calls from overseas: +44 121 415 7047.

COMPANY WEBSITE

The Company's website at www.laing.com contains the latest information for shareholders, including press releases and an updated financial diary. Email alerts of the latest news, press releases and financial reports about John Laing Group plc may be obtained by registering for the email news alert service on the website.

SHARE PRICE INFORMATION

The latest price of the Company's ordinary shares is available on www.laing.com. Alternatively click on www.londonstockexchange.com. John Laing's ticker symbol is JLG. John Laing is classified in the Speciality Finance Sector of Financial Services on The London Stock Exchange. It is recommended that you consult your financial adviser and verify information obtained from these services before making any investment decision.

DIVIDENDS

Shareholders who wish to have their dividends paid directly into a bank or building society account should contact the Registrars.

SHARE DEALING SERVICES

The Registrars offer a real-time telephone and internet dealing service for the UK. Further details including terms and rates can be obtained by logging on to the website at www.shareview.co.uk/dealing or by calling 03846 037 037. Lines are open between 8.00.00am and 4.30pm, Monday to Friday.

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Further copies of this Annual Report & Accounts are available by visiting the Company's website or at the address below

www.laing.com

email: marketing@laing.com

John Laing Group plc

Registered Office:
1 Kingsway
London
WC2B 6AN
United Kingdom

Registered No. 5975300

Tel: +44 (0)20 7901 3200
Fax: +44 (0)20 7901 3520