

Registration number: 3133137

Lend Lease Pharmaceutical (EMEA) Limited

Annual Report and Financial Statements

for the year ended 30 June 2017

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Lend Lease Pharmaceutical (EMEA) Limited

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Lend Lease Pharmaceutical (EMEA) Limited

Company Information

Directors	N Martin P Leonard
Registered office	20 Triton Street Regent's Place London E14 5GL
Auditor	KPMG LLP 15 Canada Square London United Kingdom E14 5GL

Lend Lease Pharmaceutical (EMEA) Limited

Directors' Report for the Year Ended 30 June 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Principal activities

The principal activity of the Company is that of providing specialised pharmaceutical consulting and regulatory affairs advice and design, construction and project management services to the pharmaceutical, biotechnology and high technology industries.

The Company is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is 20 Triton Street, Regent's Place, London, NW1 3BF.

Directors' of the company

The directors, who held office during the year, were as follows:

N Martin

P Leonard

M Heyes (resigned 12 October 2016)

None of the directors who held office at the end of the year held any disclosable interest in group undertakings as recorded in the register of directors' interests.

Results

The company made a profit after tax for the year of £9k (2016: £187k).

Dividends

The directors do not recommend a final dividend for the year (2016: £nil).

Political donations

The Company made no political donations or incurred any political expenditure during the year (2016: £nil).

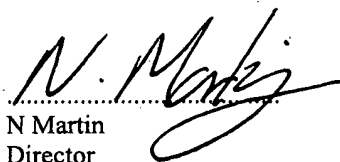
Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditor

Pursuant of Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on 13 October 2017 and signed on its behalf by:


N Martin
Director

Lend Lease Pharmaceutical (EMEA) Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to the Company financial statements for each financial year. Under that law they have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of their profit or loss for that period. In preparing each of the Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Lend Lease Pharmaceutical (EMEA) Limited

Independent Auditor's Report to the Members of Lend Lease Pharmaceutical (EMEA) Limited

Opinion

We have audited the financial statements of Lendlease Construction (Scotland) Limited ("the Company") for the year ended 30 June 2017 which comprise of the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Related Notes, including the accounting policies in note 1.

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of the Company's profit for the year then ended;
- the financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least 12 months from the approval date of the financial statements. We have nothing to report in these respects.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Director's responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Lend Lease Pharmaceutical (EMEA) Limited

Independent Auditor's Report to the Members of Lend Lease Pharmaceutical (EMEA) Limited

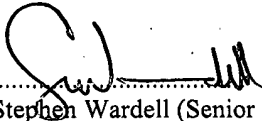
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities for the audit of our financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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. 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 body, for our audit work, for this report, or for the opinions we have formed.



Stephen Wardell (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

15 Canada Square
London
United Kingdom
E14 5GL

16 October 2017

Lend Lease Pharmaceutical (EMEA) Limited

Statement of profit or loss and other comprehensive income for the year ended 30 June 2017

	Note	2017 £ 000	2016 £ 000
Revenue		-	114
Cost of sales		<u>1</u>	<u>(41)</u>
Gross profit		1	73
Administrative expenses		<u>-</u>	<u>10</u>
Operating profit		<u>1</u>	<u>83</u>
Finance income		12	421
Finance costs		<u>-</u>	<u>(411)</u>
Net finance income	4	<u>12</u>	<u>10</u>
Profit before tax		13	93
Income tax (expense)/credit	8	<u>(4)</u>	<u>94</u>
Profit for the year		9	187
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>9</u></u>	<u><u>187</u></u>

The above results were derived from continuing operations.

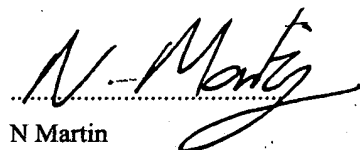
The notes on pages 10 to 20 form an integral part of these financial statements.

Lend Lease Pharmaceutical (EMEA) Limited

Statement of Financial Position as at 30 June 2017

	Note	2017 £ 000	2016 £ 000
Assets			
Non-current assets			
Deferred tax assets	8	3	-
Total non current assets		3	-
Current assets			
Trade and other receivables	9	411	514
Cash and cash equivalents	10	-	24
Total current assets		411	538
Total assets		414	538
Liabilities			
Current liabilities			
Trade and other payables	12	(192)	(332)
Income tax liability		(8)	-
Provisions	11	(16)	(17)
Total current liabilities		(216)	(349)
Net Assets		198	189
Equity			
Share capital	14	850	850
Retained earnings		(652)	(661)
Total equity		198	189

Approved by the Board on 13 October 2017 and signed on its behalf by:



N Martin

Director

Company registration number: 3133137

The notes on pages 10 to 20 form an integral part of these financial statements.

Lend Lease Pharmaceutical (EMEA) Limited

Statement of Changes in Equity for the year ended 30 June 2017

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 July 2015	850	(848)	2
Profit for the year	-	187	187
Total comprehensive income	-	187	187
At 30 June 2016	850	(661)	189

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 July 2016	850	(661)	189
Profit for the year	-	9	9
Total comprehensive income	-	9	9
At 30 June 2017	850	(652)	198

The notes on pages 10 to 20 form an integral part of these financial statements.

Lend Lease Pharmaceutical (EMEA) Limited

Statement of Cash Flows for the year ended 30 June 2017

	2017 £ 000	2016 £ 000
Profit for the year	9	187
Taxation	4	(94)
Finance income	(12)	-
Decrease in trade and other receivables	138	104
(Increase)/Decrease in amounts due from related parties	(36)	332
Increase/(Decrease) in amounts due to related parties	13	(2,122)
Increase/(Decrease) in trade and other payables	(152)	46
(Decrease)/Increase in other financial liabilities	-	(38)
(Decrease) in provisions	(1)	-
Net cash used in operating activities	(37)	(1,585)
Net cash from investing activities	-	-
Interest received	12	-
Net cash from financing activities	12	-
Net decrease in cash and cash equivalents	(25)	(1,585)
Cash and cash equivalents at beginning of year	25	1,610
Cash and cash equivalents at end of year	-	25

The notes on pages 10 to 20 form an integral part of these financial statements.

Lend Lease Pharmaceutical (EMEA) Limited

Notes to the Financial Statements for the year ended 30 June 2017

1 General information

Lend Lease Pharmaceutical (EMEA) Limited (the "Company") is a private company limited by share capital incorporated and domiciled in United Kingdom.

The address of its registered office is:

20 Triton Street
Regent's Place
London
E14 5GL

Basis of preparation

The financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

2 Accounting policies

Statement of compliance

The company financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the EU ("adopted IFRS's").

Summary of significant accounting policies and key accounting estimates

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

Going concern

The financial statements have been prepared on a going concern basis.

Revenue recognition

Sales of goods are recognised when goods are delivered and title has passed. Revenue from construction contracts is recognised in accordance with the Company's accounting policy on construction contracts.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of value added tax.

Lend Lease Pharmaceutical (EMEA) Limited

Notes to the Financial Statements for the year ended 30 June 2017

Expenses

Finance income and expense

Financing expenses compromise interest payable and finance leases recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the Statement of Profit or Loss and Other Comprehensive Income (see foreign currency accounting policy). Financing income compromise interest receivable on fund invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in the Statement of Profit or Loss and Other Comprehensive Income as it accrues, using the effective interest method. Dividend income is recognised in the Statement of Profit or Loss and Other Comprehensive Income on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Lend Lease Pharmaceutical (EMEA) Limited

Notes to the Financial Statements for the year ended 30 June 2017

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at the date. Foreign exchange differences arising on translation are recognised in the Statement of Profit or Loss and Other Comprehensive Income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

All exchange differences arising in respect of foreign operations are taken to equity through the Translation reserve. When a foreign operation is sold, such exchange differences are recognised in the Statement of Profit or Loss and Other Comprehensive Income as part of the gain or loss on the sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Construction Contracts

Where the outcome of the contract cannot be estimated reliably, contract revenue is recognised only to the extent that contract costs incurred are likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

Where the outcome of a construction contract can be estimated reliably and it is probable that the contract will be profitable, revenue and cost are recognised over the period of the contract. The Company does not consider that the outcome of a construction contract can be reliably determined until it is at least 20% complete. Where it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The Company uses the "percentage of completion method" to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the actual contract costs incurred up to the balance sheet date as a percentage of the total estimated costs for each contract. Provision is made for losses incurred or foreseen in bringing the contract to completion as soon as they become apparent.

The Company presents as an asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. Progress billings not yet paid by customers are included within trade and other receivables. The Company presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

Lend Lease Pharmaceutical (EMEA) Limited

Notes to the Financial Statements for the year ended 30 June 2017

Non-derivative financial instruments

Non-derivative financial instruments compromise trade and other receivables, cash and cash equivalents and trade and other payables.

Trade receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents compromise cash in hand at bank.

Derivative financial instruments and hedging activities

The Company uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational, financing and investing activities. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are recognised initially at fair value on the date a derivative contract is entered into and subsequently remeasured at their fair value. Recognition of any resultant gain or loss depends on the nature of the item being hedged. Certain derivative instruments do not qualify for hedge accounting or hedge accounting treatment is not sought. These instruments are classed as held for trading and changes in their fair value are recognised immediately in the statement of profit or loss and other comprehensive income. The fair value of forward exchange contracts is their value at the current quoted forward price at the statement of financial position date.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Lend Lease Pharmaceutical (EMEA) Limited

Notes to the Financial Statements for the year ended 30 June 2017

Defined benefit pension obligation

The Company participates in a group pension scheme, which is closed to new members, providing benefits based on final pensionable pay. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The assets of the scheme are held separately from those of the Company.

The Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by IAS 19 'Employee benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Profit or Loss and Other Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period.

Full disclosure of the Pension accounting in the Lend Lease UK Pension Scheme is provided in the financial statement of the immediate parent company Lendlease Construction Holdings (Europe) Limited as at 30 June 2016.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

New standards, interpretations and amendments not yet effective

The following Adopted IFRSs have been issued but have not been applied in these financial statements. The effect of these Adopted IFRSs of these financial statements has not yet been determined:

- IFRS 9 Financial Instruments (effective date 1 January 2018).
- IFRS 15 Contracts with Customers (effective date 1 January 2018).
- Annual Improvements to IFRSs - 2012-2014 Cycle (effective date to be confirmed).
- Disclosure Initiative - Amendments to IAS 1 (effective date to be confirmed).
- IFRS 16 Leases (effective date 1 January 2019).

3 Segmental information

The Company's turnover and results arose from, and the Company's net assets are deployed in, providing project solutions in the construction industry, primarily in the United Kingdom.

Geographical segments

Revenue is attributable to geographic locations based on the location of customers. The Company currently operates solely within one geographical segment (United Kingdom), and accordingly no geographical segment analysis is provided.

4 Finance income and costs

	2017 £ 000	2016 £ 000
Finance income		
Other finance income	12	421
Finance costs		
Other finance costs	-	(411)
Net finance income	<u>12</u>	<u>10</u>

Lend Lease Pharmaceutical (EMEA) Limited

Notes to the Financial Statements for the year ended 30 June 2017

5 Staff costs

The company employed no staff during the year (2016: nil).

6 Directors' remuneration

These directors of the company are employees of the following entities:

- N Martin: Lendlease Construction (Europe) Limited
- P Leonard: Lendlease Construction (Europe) Limited

Any qualifying services in respect of the Company are considered to be incidental and part of these director's overall management responsibilities within Lend Lease Pharmaceutical (EMEA) Limited. Their remuneration for the current year and prior year was paid by and included in the financial statements of these companies.

7 Auditors' remuneration

The remuneration of the auditor for the current and prior accounting years of £10,900 (2016: £11,350) has been borne by a fellow group undertaking.

8 Income tax

Tax (expense)/credit in the income statement

	2017 £ 000	2016 £ 000
Current tax		
UK corporation tax adjustment to prior periods	(7)	94
Deferred tax		
Arising from origination and reversal of temporary differences	(3)	-
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	6	-
Total deferred tax	3	-
Income tax (expense)/credit	(4)	94

A reduction in the corporate tax rate to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was enacted on 15 September 2016. This will reduce the Company's future current tax charge. Accordingly, the Company's profits for the accounting period are taxed at a statutory rate of 19.75% (2016: 20%).

Lend Lease Pharmaceutical (EMEA) Limited

Notes to the Financial Statements for the year ended 30 June 2017

8 Income tax (continued)

The tax assessed differs from the application of the standard rate of corporation tax in the UK of 19.75% (2016: 20%) to the Company's accounting profit before tax.

The differences are reconciled below:

	2017 £ 000	2016 £ 000
Profit before tax	13	93
Corporation tax at standard rate	(3)	(19)
Increase (decrease) in current tax from adjustment for prior periods	(1)	94
Decrease (increase) from effect of revenues exempt from taxation	-	(8)
Increase (decrease) in current tax from unrecognised tax loss or credit	-	27
Income tax (expense)/credit	(4)	94

Deferred tax

Deferred tax movement during the year:

	At 1 July 2016 £ 000	Recognised in income £ 000	At 30 June 2017 £ 000
Provisions	-	3	3

Deferred tax movement during the prior year:

	At 1 July 2015 £ 000	At 30 June 2016 £ 000
Provisions	-	-

A reduction in the corporate tax rate to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was enacted on 15 September 2016. This will reduce the Company's future current tax charge. Accordingly, the Company's profits for the accounting period are taxed at a statutory rate of 19.75% (2016: 20%).

There are £74,000 of unused tax losses (2016 - £77,000) for which no deferred tax asset is recognised in the statement of financial position.

Lend Lease Pharmaceutical (EMEA) Limited

Notes to the Financial Statements for the year ended 30 June 2017

9 Trade and other receivables

	2017 £ 000	2016 £ 000
Receivables from related parties	407	371
Construction contract work in progress	4	143
	<u>411</u>	<u>514</u>

Trade receivables above include amounts (detailed below) that are past due at the end of the reporting period and which an allowance for doubtful debts has not been recognised as the amounts are still considered recoverable and there hasn't been a significant change in credit quality.

10 Cash and cash equivalents

	2017 £ 000	2016 £ 000
Cash at bank	<u>-</u>	<u>24</u>

11 Other provisions

	Other provisions £ 000	Total £ 000
At 1 July 2016	(17)	(17)
Increase (decrease) in existing provisions	<u>1</u>	<u>1</u>
At 30 June 2017	<u>(16)</u>	<u>(16)</u>

Lend Lease Pharmaceutical (EMEA) Limited

Notes to the Financial Statements for the year ended 30 June 2017

12 Trade and other payables

	2017 £ 000	2016 £ 000
Amounts due to related parties	(13)	-
Accrued expenses	(179)	(333)
Other payables	-	1
	<u>(192)</u>	<u>(332)</u>

The fair value of the trade and other payables classified as financial instruments are disclosed in the financial instruments note.

The company's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in the financial risk management and impairment note.

13 Contingent liabilities

There are claims outstanding which arise under contracts carried out by the Company in the ordinary course of business. It is not possible to predict with any certainty the results of these claims but the directors believe, taking into account counter-claims, claims against third parties and provisions in the accounts, that the outcome will not have a material effect on the Company's financial position.

14 Share capital

Allotted, called up and fully paid shares

	2017		2016
	No. 000	£ 000	No. 000 £ 000
Ordinary shares of £1 each of £1 each	<u>851</u>	<u>851</u>	<u>851 851</u>

15 Dividends

The directors are proposing a final dividend of £Nil (2016 - £Nil) per share totalling £Nil (2016 - £Nil). This dividend has not been accrued in the statement of financial position.

Lend Lease Pharmaceutical (EMEA) Limited

Notes to the Financial Statements for the year ended 30 June 2017

16 Financing arrangements and financial instruments

Foreign currency risk

Foreign currency risk is the risk that the value of a financial commitment, a recognised asset or liability will fluctuate due to changes in foreign currency exchange rates. The Lendlease Group policy is to manage currency risk so as to minimise any adverse impact of this risk and associated costs on the results.

The Company is exposed to foreign currency risk primarily from foreign currency receivables and payables. The Company manages this using forward foreign exchange contracts to hedge the exposures.

The major foreign currency exchange rates used in the translation of income and expenses (average rate) and assets and liabilities (spot rate) denominated in foreign currencies are as follows:

Price risk

The Company does not have significant equity investments or investments in commodities and does not consider itself to be exposed to any significant equity, commodity or other price risk.

Commodities are procured in the open market with fixed price contracts, transferring the pricing risk to the subcontractor. The maximum exposure is held between being awarded lump sum contracts and transferring the risk. This is mitigated by the lump sums being covered by trade prices or having sufficient inflation contingency.

Credit risk

Credit risk represents the risk that a counterparty will not be able to complete its obligations in respect of a financial instrument, resulting in a financial loss to the Company.

The Company operates predominantly in the UK construction market and has no significant concentrations of credit risk on either a geographic or industry specific basis. It has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

Credit risk is also managed by limiting the aggregate exposure to any one individual counterparty, taking into account its credit rating. Such counterparty exposures are regularly reviewed and adjusted as necessary.

Accordingly, the possibility of material loss arising in the event of non-performance by counterparties is considered to be unlikely.

The maximum exposure to credit risk at the balance sheet date on financial assets recognised in the balance sheet equals the carrying amount, net of any impairment.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as and when they fall due. Liquidity risk is reduced through prudent cash management which ensures that sufficient levels of cash are maintained to meet working capital requirements.

Lend Lease Pharmaceutical (EMEA) Limited

Notes to the Financial Statements for the year ended 30 June 2017

16 Financing arrangements and financial instruments (continued)

Capital risk management

The Company assesses its Capital Management model as part of the broader Lendlease Group Board's strategic plan. When investing capital, the Company's objective is to deliver strong shareholder returns and to continue to generate high levels of liquid assets in line with the Lendlease Corporation capital management goals.

The capital structure of the Company can be changed by equity issues, dividend payments and dividend reinvestments.

The Company actively manages the working capital on a daily basis with periodic narrative and recommendations prepared for senior management on movements, risk, exceptions and tracking against business targets.

The Company operates under a strict regime of contract billings and debtor payment cycle to maximise liquidity.

There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

17 Related party transactions

Summary of transactions with other related parties

	Note	2017 £ 000	2016 £ 000
Receivables from related parties			
Lendlease Europe Finance Plc		408	372
		<u>408</u>	<u>372</u>

18 Parent and ultimate parent undertaking

The Company is a subsidiary undertaking of Lendlease Construction Holdings (Europe) Limited, which is registered in England and Wales. Its ultimate parent undertaking is Lendlease Corporation Limited, which is incorporated in Australia.

The largest group in which the results of the Company are consolidated is that headed by Lend Lease Corporation Limited. The consolidated financial statements of this group may be obtained from Level 14, Tower Three International Towers Sydney, Exchange Place, 300 Barangaroo Avenue, Barangaroo NSW 2000 or from its website at www.lendlease.com.

The smallest group in which the financial statements of the Company are consolidated is that headed by Lendlease Europe Holdings Limited. The consolidated financial statements of this group may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.

19 Subsequent events

There has been no event or circumstance since the end of the year to the date of this report that would significantly affect the Company.