

**Blueco Limited**

**Directors' report and  
financial statements**

30 June 2004

Registered number 3196199



## **Directors' report and financial statements**

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2004.

### Principal activities

The principal activity of Blueco Limited is property development.

### Results and dividends

The profit for the year after taxation amounted to £15,073,470 (2003: £12,614,942). The directors did not propose a dividend during the year (2003: £35,000,000).

### Directors

The directors of the company during the year were as follows:

R G Caven	
D K Perry	
P J Allwood	(appointed 29 September 2003)
C S Matheson	(appointed 29 September 2003)
D S Hutton	(resigned 27 February 2004)
A L Gough	(resigned 29 September 2003)
K M Anderson	(resigned 29 September 2003)

None of the directors who held office at the end of the financial year, or their families and family trusts, had any disclosable interest in the shares of the company. In accordance with section 324 of the Companies Act 1985, holdings in the share capital of other group companies are not disclosed.


### Registered Office

On 21 June 2004 the Company changed its registered office from 23 Kingsway, London, WC2B 6UJ to 10 Maltravers St, 2<sup>nd</sup> Floor, London, WC2R 3NG.

### Auditors

A resolution for the reappointment of KPMG LLP as auditors of the company is to be proposed at a forthcoming Annual General Meeting.

On behalf of the board

  
R G Caven  
Director

10 Maltravers St, 2<sup>nd</sup> Floor  
London WC2R 3NG  
21 April 2005

## **Statement of directors' responsibilities**

*Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:*

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

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The above statement should be read in conjunction with the statement of auditor's responsibilities set out in the auditor's report on page 3.

## Report of the independent auditors to the members of Blueco Limited

We have audited the financial statements on pages 4 to 10.

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

### *Respective responsibilities of directors and auditors*

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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

### *Basis of audit opinion*

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

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

### *Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG LLP*

**KPMG LLP**  
Chartered Accountants  
Registered Auditor

8 Salisbury Square  
London  
EC4Y 8BB  
2005

*22 April*

## **Profit and loss account**

*for the year ended 30 June 2004*

	<i>Note</i>	<b>2004</b> £	2003 £
Turnover	1	22,212,516	18,780,364
Cost of sales		(682,031)	(617,850)
Gross profit		21,530,485	18,162,514
Administrative expenses		(2,938)	(107,903)
<b>Operating profit</b>		<b>21,527,547</b>	<b>18,054,611</b>
Interest receivable and similar income		5,981	3,011
<b>Profit on ordinary activities before taxation</b>	4	<b>21,533,528</b>	<b>18,057,622</b>
Tax on profit on ordinary activities	5	(6,460,058)	(5,442,680)
<b>Profit for the financial year</b>		<b>15,073,470</b>	<b>12,614,942</b>
<b>Dividends</b>			
Ordinary dividend proposed		-	(35,000,000)
<b>Retained profit/(loss) for the year</b>	11	<b>15,073,470</b>	<b>(22,385,058)</b>
Retained profit brought forward		38,304,480	60,689,538
<b>Retained profit carried forward</b>		<b>53,377,950</b>	<b>38,304,480</b>

All activities are continuing.

The company had no recognised gains or losses other than the profit for the year.

There is no difference between the profit as reported and the profit on a historical cost basis.

The notes to and forming part of the financial statements are set out on pages 6 to 10.


## Balance sheet


at 30 June 2004

	Note	2004 £	2003 £
<b>Current assets</b>			
Development property	6	228,661,183	227,804,691
Debtors	7	809,715	442,731
Cash at bank		500	500
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	8	229,471,398 (32,144,192)	228,247,922 (35,630,743)
		<hr/>	<hr/>
<b>Net current assets</b>		197,327,206	192,617,179
<b>Creditors: amounts falling due after more than one year</b>	9	(83,949,246)	(94,312,689)
		<hr/>	<hr/>
<b>Net assets</b>		113,377,960	98,304,490
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	10	60,000,010	60,000,010
Profit and loss account	11	53,377,950	38,304,480
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>	11	113,377,960	98,304,490
		<hr/>	<hr/>

The notes to and forming part of these financial statements are set out on pages 6 to 10.

These financial statements were approved by the board of directors on 21 April 2005 and were signed on its behalf by:

  
**R G Caven**  
Director

  
**C S Matheson**  
Director

## Notes to the financial statements

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

#### *Development property*

Property acquired for development and sale in the ordinary course of business is carried at cost to date. Interest is capitalised to individual holdings where the project is externally financed. The net recoverable amount of each material holding is assessed annually by independent valuers and a provision for diminution in value is made where cost exceeds the valuation. Where the valuation is made on a completion basis, estimated costs to completion are considered in this valuation.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account deferred taxation. In accordance with Financial Reporting Standard No 19 'Deferred Tax', deferred taxation is provided fully and on a non discounted basis at future corporation tax rates in respect of timing differences between profits computed for taxation and accounts purposes.

#### *Cash flow statement*

A cash flow statement is not included with these financial statements as a consolidated cash flow statement, produced under Financial Reporting Standard No 1, is included in the financial statements of Lend Lease Europe Holdings Limited.

#### *Related party transactions*

The company has taken advantage of the exemption in Financial Reporting Standard No 8 'Related Party Disclosures' to dispense with the requirement to disclose transactions with group companies.

#### *Turnover*

Turnover is stated net of value added tax and is derived from the following sources:

	2004	2003
	£	£
Net Rental income	22,212,516	18,780,364
	<hr/>	<hr/>

All turnover was attributable to the United Kingdom.



## Notes to the financial statements (continued)

### 2 Directors' remuneration and employees

The directors did not receive any emoluments in respect of their services to the company (2003: £nil).

The company employed no staff in the year (2003: nil).

### 3 Auditors' remuneration

Auditors' remuneration in respect of audit and other fees was borne by Lend Lease Europe Limited, the immediate parent undertaking.

### 4 Profit on ordinary activities before taxation

	2004 £	2003 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Amortisation of lease prepayment	(1,025)	84,645
	<hr/>	<hr/>

### 5 Tax on profit on ordinary activities

Analysis of charge for the year:

	2004 £	2003 £
Current tax		
UK Corporation tax on profit for the year	6,460,058	5,442,680
	<hr/>	<hr/>
Total current tax	6,460,058	5,442,680
	<hr/>	<hr/>

The tax assessed differs from the application of the standard rate of corporation tax in the UK (30%) to the company's profit before taxation for the following reasons:

Profit on ordinary activities before tax	21,533,528	18,057,622
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK (30%)	6,460,058	5,417,287
	<hr/>	<hr/>
<b>Effects of:</b>		
Non-deductible expenditure	-	25,393
	<hr/>	<hr/>
Total current tax	6,460,058	5,442,680
	<hr/>	<hr/>

The above tax calculation is an estimate prepared at the time of signing the financial statements. Any adjustments subsequently agreed with the Inland Revenue will be reflected in the financial statements for the period in which such agreement is reached.

## Notes to the financial statements (continued)

### 6 Development property

	2004 £	2003 £
Bluewater development at cost	228,661,183	227,804,691

Included in the balance above is capitalised interest of £7,040,000 (2003: £7,040,000).

### 7 Debtors

	2004 £	2003 £
Trade debtors	-	876
Prepayments and accrued income	809,715	441,855
	<u>809,715</u>	<u>442,731</u>

### 8 Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	19,542,214	23,326,734
Amounts owed to related parties	233,703	1,458,099
Taxation and social security	745,147	731,000
Other creditors	9,144,615	7,316,144
Accruals and deferred income	2,478,513	2,798,766
	<u>32,144,192</u>	<u>35,630,743</u>

## Notes to the financial statements (continued)

### 9 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Other creditors	83,949,246	94,312,689

Other creditors falling due after more than one year represent an accrual for future payments on a lease relating to plant and machinery at Bluewater.

### 10 Called up share capital

	2004 £	2003 £
<i>Authorised</i> 60,000,100 Ordinary shares of £1	60,000,100	60,000,100
<i>Allotted, called up and fully paid</i> 60,000,010 Ordinary shares of £1	60,000,010	60,000,010

### 11 Reconciliation of movements in equity shareholders' funds

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 30 June 2003	60,000,010	38,304,480	98,304,490
Retained surplus for the financial year	-	15,073,470	15,073,470
At 30 June 2004	60,000,010	53,377,950	113,377,960

**Notes to the financial statements** *(continued)*

**12 Ultimate parent company and parent undertaking of larger group of which the company is a member**

The company's immediate parent undertaking is Lend Lease Europe Limited which is registered in England and Wales. The ultimate parent undertaking of the company is Lend Lease 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 that group may be obtained from [www.lendlease.com.au](http://www.lendlease.com.au).

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