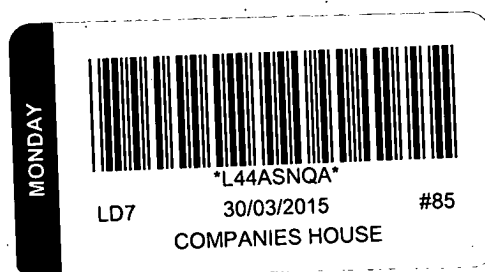


Lend Lease Preston Tithebarn Limited

Directors' report and financial statements

30 June 2014

Registered number 3525232



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 2014.

Results and dividends

The loss for the year after taxation amounted to £494,390 (2013: £59,832). The company has not paid an interim dividend in the year (2013: £nil). The directors do not propose a final dividend (2013: £nil).

Principal activity and review of the business

The principal activity of Lend Lease Preston Tithebarn Limited is to hold investments.

Environment

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the company's activities. Initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste and recycling.

Directors

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

C Pettett	(appointed 09/06/2014)
R Coppell	(appointed 30/06/2014 resigned 12/12/2014)
G Scott	(resigned 09/06/2014)
A Rampton	(resigned 30/06/2014)

Political and charitable contributions

The company made no political or charitable contributions during the year (2013: £nil).

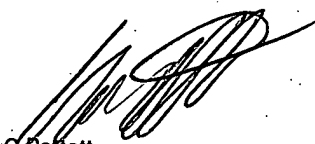
Statement as to disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

By order of the board



C Pettett
Director

20 Triton street
Regents Place, London
NW1 3BF
26 March 2015

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with 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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Independent Auditor's report to the members of Lend Lease Preston Tithebarn Limited

We have audited the financial statements of Lend Lease Preston Tithebarn Limited for the year ended 30 June 2014 set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



William Meredith
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London, E14 5GL

26 March 2015

Statement of comprehensive income
 for the year ended 30 June 2014

	Note	2014 £	2013 £
Administrative expenses		(750)	(1,914)
Operating loss		<u>(750)</u>	<u>(1,914)</u>
Dividend received		-	315,800
Finance expense		(611,644)	(490,203)
Loss on ordinary activities before taxation		<u>(612,394)</u>	<u>(176,317)</u>
Taxation	5	<u>118,004</u>	<u>116,485</u>
Loss on ordinary activities after taxation		<u>(494,390)</u>	<u>(59,832)</u>
Total comprehensive loss for the year		<u><u>(494,390)</u></u>	<u><u>(59,832)</u></u>

All activities are continuing.

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

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


The notes to and forming part of the financial statements are set out on pages 8 to 11.

Statement of financial position
as at 30 June 2014

	Note	2014 £	2013 £
Non current assets			
Investments	6	-	-
Deferred tax asset	7	-	9,068
		-	9,068
Current assets			
Corporation tax receivable		243,950	116,878
Total assets		<u>243,950</u>	<u>125,946</u>
Non current liabilities			
Trade and other payables	8	(22,061,200)	(21,448,806)
Total liabilities		<u>(22,061,200)</u>	<u>(21,448,806)</u>
Net liabilities		<u>(21,817,250)</u>	<u>(21,322,860)</u>
Capital and reserves			
Called up share capital	9	1	1
Retained earnings		(21,817,251)	(21,322,861)
Total shareholders' deficit		<u>(21,817,250)</u>	<u>(21,322,860)</u>

The notes to and forming part of the financial statements are set out on pages 8 to 11.

These statements were approved by the board of directors on 26 March 2015 and were signed on its behalf by:


C. Pettett
Director

Registered number 3525232

Statement of changes in shareholders' equity
for the year ended 30 June 2014

	Attributable to shareholders		
	Share capital	Retained earnings	Total equity
	£	£	£
Balance at 1 July 2012	1	(21,263,029)	(21,263,028)
Retained loss for the year	-	(59,832)	(59,832)
Balance at 30 June 2013	1	(21,322,861)	(21,322,860)
Balance at 1 July 2013	1	(21,322,861)	(21,322,860)
Retained loss for the year	-	(494,390)	(494,390)
Balance at 30 June 2014	1	(21,817,251)	(21,817,250)

The notes to and forming part of the financial statements are set out on pages 8 to 11.

Cashflow statement
 for the year ended 30 June 2014

	2014 £	2013 £
Cash flows from operating activities		
Loss for the year	(494,390)	(59,832)
<i>Adjustments for:</i>		
Dividend income	-	(315,800)
Net finance costs	611,644	490,203
Taxation	(118,004)	(116,485)
Operating loss before changes in working capital	<u>(750)</u>	<u>(1,914)</u>
Increase in trade and other payables	612,394	176,317
Net cash from operating activities	<u>611,644</u>	<u>174,403</u>
Cash flows from investing activities		
Dividends received	-	315,800
Net cash from investing activities	<u>-</u>	<u>315,800</u>
Financing activities		
Interest paid	(611,644)	(490,203)
Net cash from financing activities	<u>(611,644)</u>	<u>(490,203)</u>
Increase in cash and cash equivalents		
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at 1 July	-	-
Cash and cash equivalents at 30 June	<u>-</u>	<u>-</u>

The notes to and forming part of the financial statements are set out on pages 8 to 11.

Notes to the financial statements

1 Accounting policies

Lend Lease Preston Tithebarn Limited (the "Company") is a company incorporated in the UK. The company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and its interpretations as adopted by the International Accounting Standards Board (IASB).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements.

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependent for its working capital on funds provided to it by Lend Lease Europe Holdings Limited, the company's UK holding undertaking. Lend Lease Europe Holdings Limited has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as they are needed by the company and in particular will not seek repayment of the amounts currently made available. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other Group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result in the basis of preparation being inappropriate.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments and available for sale financial assets. Recognised assets and liabilities that are hedged are stated at fair value in respect of the risk that is hedged.

Investments

Investments are stated at cost with adjustments made to the carrying value to reflect net realisable amounts where these are lower than cost. Management conducts impairment reviews annually.

Net Gains or Losses on Sale of Investments

Net gains or losses on sale of investments are recognised when an unconditional contract is in place.

Dividend

Dividend income is recognised when the right to receive payment is established, usually on declaration of the dividend.

Net financing costs

Net financing costs comprise interest payable, interest receivable on funds invested, and foreign exchange gains and losses that are recognised in the income statement.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Taxation

The tax refund represents the sum of the tax currently receivable and deferred tax.

The tax currently receivable is based on taxable loss for the year. Taxable loss differs from net loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and further excludes items that are never taxable or deductible. The Company's asset for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the Company's taxable losses and its results as stated in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or subsequently enacted by the balance sheet date. Deferred tax assets are not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

New standards and interpretations not yet adopted

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

- IFRS 10 Consolidated Financial Statements and IAS 27 (2011) Separate Financial Statements (mandatory for year commencing on or after 1 January 2014).
- IFRS 11 Joint Arrangements and Amendments to IAS 28 (2008) Investments in Associated and Joint Ventures (mandatory for year commencing on or after 1 January 2014).
- IFRS 12 Disclosure of Interests in Other Entities (mandatory for year commencing on or after 1 January 2014).
- Amendments to IAS 32 'Offsetting Financial Assets and Financial Liabilities' (mandatory for year commencing on or after 1 January 2014).
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (mandatory for year commencing on or after 1 January 2014).
- Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) (mandatory for year commencing on or after 1 January 2014).

Notes to the financial statements (continued)

2 Auditor's remuneration

Auditor's remuneration in respect of audit and other fees were paid by a fellow subsidiary within the Lend Lease Europe Holdings group.

The directors estimate the fee attributable to the company is £7,383 (2013: £9,840).

3 Directors' remuneration and employees

The directors did not receive any emoluments in respect of their services to the company (2013: £nil).

The company did not employ any staff during the year (2013: nil).

4 Financial Expense

	2014	2013
	£	£
Interest expense on amounts due to Lend Lease Europe Limited	<u>611,644</u>	<u>490,203</u>

5 Taxation

(a) Credit recognised in the Statement of Comprehensive Income

	2014	2013
	£	£
Current tax:		
Total current tax	(127,072)	(116,878)
Deferred tax:		
Origination and reversal of timing differences	9,068	-
Effect of future change in UK tax rate	-	393
Tax on loss on ordinary activities	<u>(118,004)</u>	<u>(116,485)</u>

(b) Factors affecting the current tax credit for the year

The tax assessed differs from the application of the standard rate of corporation tax in the UK (2014: 20.75%, 2013: 23.75%) to the company's accounting loss before taxation for the following reasons:

	2014	2013
	£	£
Loss on ordinary activities before tax	<u>(612,394)</u>	<u>(176,317)</u>
Tax using the UK corporation tax rate of 20.75% (2013: 23.75%)	(127,072)	(41,875)
Effects of:		
Tax exempt revenues	-	(75,003)
Origination and reversal of timing differences	9,068	393
Total tax in income statement	<u>(118,004)</u>	<u>(116,485)</u>

6 Investments

	2014	2013
	£	£
Investment in Preston Tithebarn Unit Trust	18,623,141	18,623,141
Impairment provision	<u>(18,623,141)</u>	<u>(18,623,141)</u>

At 30 June 2014 the company held 19,258,396 (2013: 19,258,396) units with a face value of £19,258,396 (2013: £19,258,396), representing a 50% interest in the Preston Tithebarn Unit Trust, which is a Limited Partner of the Preston Tithebarn Limited Partnership. Advances during the year of £Nil (2013: £Nil) were made to the Unit Trust. Based on an impairment analysis prepared by management, the provision was increased by £Nil (2013: £Nil), the investment is now fully provided for.

Notes to the financial statements (continued)

7 Deferred tax assets

Deferred tax asset on tax losses carried forward are recognised on the basis of future management profit forecasts in the next three years.

Recognised deferred tax assets

Deferred tax assets are attributable to the following:

	Assets		Liabilities		Net	
	2014	2013	2014	2013	2014	2013
	£	£	£	£	£	£
Partnership profits	-	-	-	(100,516)	-	(100,516)
Tax value of loss carry-forwards	-	109,584	-	-	-	109,584
	<u>-</u>	<u>109,584</u>	<u>-</u>	<u>(100,516)</u>	<u>-</u>	<u>9,068</u>

Movement in deferred tax during the year

	01-Jul-13	Recognised in income current year	Rate Change	30-Jun-14
	£	£	£	£
Partnership profits	(100,516)	100,516	-	-
Tax value of loss carry-forwards	109,584	(109,584)	-	-
	<u>9,068</u>	<u>(9,068)</u>	<u>-</u>	<u>-</u>

Movement in deferred tax during the prior year

	01-Jul-12	Recognised in income current year	Rate Change	30-Jun-13
	£	£	£	£
Partnership profits	(104,887)	-	4,371	(100,516)
Tax value of loss carry-forwards	114,348	-	(4,764)	109,584
	<u>9,461</u>	<u>-</u>	<u>(393)</u>	<u>9,068</u>

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015. A reduction in the rate from 23% to 21% (effective from 1 April 2014) was substantively enacted on 17 July 2013, and further reduction to 20% (effective from 1 April 2015) was substantively enacted too on 17 July 2013.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following item:

	2014	2013
	£	£
Tax value of loss carry forwards	305,275	321,497
Provisions / Impairments	<u>3,724,628</u>	<u>3,685,366</u>
	<u>4,029,903</u>	<u>4,006,863</u>

The tax losses relate to crystallised trading losses. Deferred tax assets have not been recognised in respect of this trading loss because it is not probable that future taxable profit will be available against which the company can utilise the benefits of this loss. The provision relates to a revaluation deficit on the Preston Tithebarn Unit Trust.

Notes to the financial statements (continued)

8 Non current trade and other payables

	2014	2013
	£	£
Amounts owed to Lend Lease Europe Limited	<u>22,061,200</u>	<u>21,448,806</u>

9 Called up share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
1 ordinary shares of £1	<u>1</u>	<u>1</u>

10 Financial arrangements

Fair values of financial assets and liabilities - on balance sheet

There is no significant difference between the carrying value and fair value of financial assets and liabilities.

Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Company is compliant with the Lend Lease Consolidated Group's framework for risk management including credit risk. There are no significant concentrations of external credit risk with the Company's exposure to only Lend Lease Consolidated Group related parties.

Liquidity Risk

Liquidity risk is the risk of having insufficient funds to settle financial liabilities as and when they fall due. This includes having insufficient levels of committed credit facilities. The Company's objective is to maintain the efficient use of cash and debt facilities in order to minimise the cost of borrowing to the Company and ensure sufficient availability of credit facilities.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument or cash flow associated with the instrument will fluctuate due to changes in the market interest rates. The Company's policy is to manage interest rate risk that impacts directly on the Company's assets and liabilities. The Company's exposure to interest rate risk is limited to movements in intra-group lending rates.

Sensitivity Analysis

At 30 June 2014, it is estimated that an increase of one percentage point in interest rates would have increased the Company's loss before tax by approximately £207,337 (2013: £203,404).

11 Subsequent events

There have been no significant post balance sheet events.

12 Related Party Disclosures

At the year end the company owed £22,061,200 (2013: £21,448,806) to its parent company, Lend Lease Europe Limited. During the year the company was charged interest of £611,644 (2013: £490,203) on this balance. The interest was charged at LIBOR plus 2.45%.

13 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 the group's website at lendlease.com.au.

The smallest group registered in England and Wales in which the results of the company is 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.