Company registration number: 03525232

Lendlease Preston Tithebarn Limited

Annual Report and Financial Statements

for the year ended 30 June 2019

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Lendlease Preston Tithebarn Limited

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Lendlease Preston Tithebarn Limited

Directors' Report for the Year Ended 30 June 2019

The directors of Lendlease Preston Tithebarn Limited present their report for the financial year ended 30 June 2019.

Directors of the company

The following persons held office as directors of the Company during the financial year and up to the date of this report:

J D Clark

S P Fraser

M J Packer

Results

The Company's profit after tax for the year was £6k (2018: £23,506k).

Dividends

The directors do not recommend the payment of a dividend (2018: £nil).

Employment of disabled persons

It is the Group's policy to give full and fair consideration to applications for employment made by disabled persons having regard to their aptitudes and abilities. The Group also uses its best endeavours to provide continuing employment for employees who are disabled whilst the Group employs them and where appropriate, provides facilities for training and retraining and opportunities for career development and promotion.

Employee involvement

The Company has employment policies designed to suit the needs of individuals and comply with certain key principles, to encourage involvement within the Group. Employees are regularly advised of the Group and individual Company's achievements. Furthermore, employees benefit from a bonus scheme that enables them to identify more closely with Lendlease Group's performance and to share common objectives with shareholders.

Outlook

It is the intention of the directors to wind the company up within the next financial period.

Events after the balance sheet date

There were no material events subsequent to the end of the financial year.

Disclosure of information to the 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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Reappointment of 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.

Lendlease Preston Tithebarn Limited

Directors' Report for the Year Ended 30 June 2019 (continued)

Approved by the Board on 12/11/19 and signed on its behalf by:

....

J D Clark

Director

Lendlease Preston Tithebarn Limited

Statement of Directors' Responsibilities

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 the directors have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 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 Company and to prevent and detect fraud and other irregularities.

Independent Auditors' Report to the Members of Lendlease Preston Tithebarn Limited

Opinion

We have audited the financial statements of Lendlease Preston Tithebarn Limited (the "Company") for the year ended 30 June 2019, which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- 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 a sufficient and appropriate basis for our opinion.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 2 to the financial statements which explains that financial statements have not been prepared on the going concern basis for the reason set out on that note. Our opinion is not modified in respect of this matter.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Independent Auditors' Report to the Members of Lendlease Preston Tithebarn Limited (continued)

Directors' responsibilities

As explained more fully in the Statement of Directors' Responsibilities 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 the directors 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.

Auditors' responsibilities

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 our opinion in an auditors' report. Reasonable assurance is a high level of assurance, but does not 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 is provided on the FRC'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. 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.

....

Ian Griffiths
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
United Kingdom
E14 5GL

Date: 14 November 2019

Lendlease Preston Tithebarn Limited

Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Note	2019 £ 000	2018 £ 000
Other operating income	4	-	23,598
Results from operating activities		**-**	**23,598**
Net finance income/(cost)		**-**	**-**
Profit before tax		**-**	**23,598**
Income tax credit/(expense)	8	6	(92)
Profit after tax		**6**	**23,506**
Total comprehensive income after tax		**6**	**23,506**

The above results were derived from continuing operations.

The notes to and forming part of these financial statements are set out on pages 9 to 15.

Lendlease Preston Tithebarn Limited

Statement of Financial Position as at 30 June 2019

	Note	2019 £ 000	2018 £ 000
Non current assets			
Investments	9	-	-
Total non current assets		-	-
Current assets			
Trade and other receivables	10	123	-
Current tax assets		2	119
Total current assets		**125**	**119**
Total liabilities		**-**	**-**
Net assets		**125**	**119**
Equity			
Issued capital	11	-	-
Retained earnings		125	119
Total equity		**125**	**119**

The notes to and forming part of these financial statements are set out on pages 9 to 15.

These statements were approved by the Board on 12/11/19 and were signed on its behalf by:

....

J D Clark

Director

Company Registration Number: 03525232

Lendlease Preston Tithebarn Limited

Statement of Changes in Equity for the year ended 30 June 2019

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 July 2017	-	(23,387)	(23,387)
Total comprehensive income			
Profit for the year	-	23,506	23,506
Total comprehensive income	**-**	**23,506**	**23,506**
At 30 June 2018	**-**	**119**	**119**

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 July 2018	-	119	119
Total comprehensive income			
Profit for the year	-	6	6
Total comprehensive income	**-**	**6**	**6**
At 30 June 2019	**-**	**125**	**125**

The notes to and forming part of these financial statements are set out on pages 9 to 15.

1 General information

Lendlease Preston Tithebarn Limited (the "Company") is a private company limited by share capital incorporated and domiciled in United Kingdom. The company registration number is 03525232.

The address of its registered office is:
20 Triton Street
Regent's Place
London
NW1 3BF
United Kingdom

The principal activity is to hold investments. It is the intention of the directors to wind the company up within the next financial period.

2 Basis of preparation

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework.*

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101 from Adopted IFRS, the Company has made no measurement and recognition adjustments.

In the financial statements, the Company has taken advantage of the following disclosure exemptions available under FRS 101:

• IAS 7: Preparing a cash flow statement and related notes;
• IAS 8: The listing of new or revised standards that have not been adopted (and information about the likely impact);
• IFRS 7: Financial instruments and financial risk disclosures;
• IAS 1: Disclosures in respect of capital management;
• IFRS 13: Fair value measurement disclosures;
• IAS 24: Disclosure of related party transactions entered into between members of the group, providing the any subsidiaries party to the transaction are wholly owned;
• IAS 24: Disclosure of compensation for key management personnel and amounts incurred by an entity for the provision of key management personnel services that are provided by a separate management entity.

As the consolidated financial statements of Lendlease Europe Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

• Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

2 Basis of preparation (continued)

Amounts are presented in pounds sterling, with all values rounded to the nearest thousand pounds unless otherwise indicated.

These financial statements are the separate financial statements of Lendlease Preston Tithebarn Limited. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the IFRS compliant consolidated financial statements of the parent, Lendlease Europe Holdings Limited. Refer to note 12.

Significant accounting policies

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

Changes in accounting policy

New standards, interpretations and amendments effective

None of the standards applied for the first time from 1 July 2018 have had a material effect on the financial statements.

Going concern

As it is the intention of the directors to wind up the Company within the next financial period, the directors have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

3 Accounting policies

Finance income and costs

Interest receivable and interest payable is recognised in the Statement of Profit or Loss as it accrues, using the effective interest method.

Taxation

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the Statement of Profit or Loss, 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 on the taxable income for the financial year, using applicable tax rates (and tax laws) at the statement of financial position date, and any adjustment to tax payable in respect of the previous financial years.

3 Accounting policies (continued)

Deferred tax is the expected tax payable in future periods as a result of past transactions or events and is calculated by comparing the accounting balance sheet to the tax balance sheet. Temporary differences are provided for for any differences in the carrying amounts of assets and liabilities between the accounting and tax balance sheets. Temporary differences are not provided for on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that they are not likely to reverse in the foreseeable future.

Measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using applicable tax rates and laws at the reporting date.

Recognition of deferred tax assets is only to the extent it is probable that future taxable profits will be available so as the related tax asset will be realised. Deferred tax assets may include deductible temporary differences, unused tax losses and unused tax credits.

Management considers the estimation of future taxable profits to be an area of estimation uncertainty as a change in any of the assumptions used in budgeting and forecasting would have an impact on the future profitability of the Company. Forecasts and budgets form the basis of future profitability to support the carrying value of deferred tax assets.

Presentation of deferred tax assets and liabilities can be offset if there is a legally enforceable right to offset current tax liabilities and assets, they relate to income taxes levied by the same tax authority, and they are intended to be settled on a net basis or realised simultaneously.

Investments

Equity investments in subsidiaries, joint ventures and associates are stated at cost less impairment. Adjustments are made to the carrying value to reflect the net realisable value of the investment where these are lower than cost. Management conducts annual impairment reviews.

Trade and other receivables

Trade and other receivables are non derivative financial assets with fixed or determinable payments that are not equity securities. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable.

Trade and other receivables are carried at amortised cost using the effective interest method, which applies the interest rate that discounts estimated future cash receipts over the term of the receivables. Cash flows relating to short term trade and other receivables are not discounted if the effect of discounting is immaterial. The discount, if material, is then recognised as finance income over the remaining term.

The Company assesses provision for impairment of the receivables based on expected loss, if material. The Company considers reasonable and supportable information that is relevant and reliable. This includes both quantitative and qualitative information and analysis, based on the Company's historical impairment experience, credit assessment of customers and any relevant forward-looking information. The amount of provision is recognised in the Statement of Profit or Loss.

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.

4 Other income

The analysis of the Company's other operating income for the year is as follows:

	2019 £ 000	2018 £ 000
Write off of intercompany payable	-	23,598
Total other income	**-**	**23,598**

5 Employees

The Company did not employ any staff during the year (2018: nil).

6 Directors' remuneration

The directors of the Company were all directly employed by Lendlease Construction (Europe) Limited however their costs were recharged to the following entities:

J D Clark: Lendlease Development (Europe) Limited
S P Fraser: Lendlease Europe Limited
M J Parker: Lendlease Europe Limited

Any qualifying services in respect of the Company are considered to be incidental and part of the directors' overall management services for the above entities. The directors' remuneration for the current year and prior year is included in the financial statements of the above entities.

7 Auditors' remuneration

	2019 £ 000	2018 £ 000
Audit of financial statements	(2)	(2)

The auditors' remuneration has been borne by a fellow group undertaking.

8 Taxation

Tax credited/(charged) in the Statement of Profit or Loss

	2019 £ 000	2018 £ 000
Current tax		
Current year	2	(3)
Adjustments for prior years	4	(89)
Total current tax	**6**	**(92)**

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Profit before tax	-	23,598
Income tax using the domestic corporation tax rate 19% (2018: 19%)	-	(4,484)
Adjustments for prior year tax claim	4	(89)
Income not taxable	-	4,484
Recoupment of losses previously not recognised	-	(3)
Attribution of trust taxable income losses	2	-
Total income tax credit/(charge)	**6**	**(92)**

The effective rate of taxation will vary as a result of any dividends paid by shareholdings, overseas tax rates, prior year tax claims and the utilisation of tax losses brought forward. A reduction in the corporate tax rate to 17% (effective from 1 April 2020) was substantively 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% (2018: 19%).

Deferred tax

There are £1,688,569 of unused tax losses (2018 - £1,526,416) for which no deferred tax asset is recognised in the statement of financial position.

9 Investments

	2019 £ 000	2018 £ 000
Total investments	-	-

9 Investments (continued)

Reconciliation of joint ventures

	2019 £ 000	2018 £ 000
Joint ventures cost	18,623	18,623
Accumulated impairment	(18,623)	(18,623)
Carrying amount at end of year	-	-

Joint ventures

Details of the joint ventures as at 30 June 2019 are as follows:

Name of Joint-ventures	Principal activity	Country of Incorporation	Note	Ownership and voting right % 2019	2018
Preston Tithebarn Unit Trust	Property development	United Kingdom	1	50%	50%

Notes - registered addresses:
1. 20 Triton Street, Regent's Place, London, NW1 3BF

10 Trade and other receivables

	Note	2019 £ 000	2018 £ 000
Current			
Amounts owing from related parties		123	-
Total trade and other receivables		**123**	-

There is no impairment recognised on any receivables and no receivables past due.

11 Issued capital

Allotted, called up and fully paid shares

	2019 No.	2019 £	2018 No.	2018 £
Ordinary Shares of £1 each	1	1	1	1

11 Issued capital (continued)

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:
The holder of ordinary shares have the right to receive declared dividends from the Company and are entitled to one vote per share at meetings of the Company.

12 Parent and ultimate parent undertaking

The Company's immediate parent is Lendlease Europe Limited.

The ultimate parent is Lendlease Corporation Limited.

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Lendlease Corporation Limited, incorporated in Australia.

The address of Lendlease Corporation Limited is:
Level 14 Tower Three
International Towers Sydney
Exchange Place
300 Barangaroo Avenue
Barangaroo NSW 2000

The consolidated financial statements of that group may be obtained from www.lendlease.com.

The parent of the smallest group in which these financial statements are consolidated is Lendlease Europe Holdings Limited, incorporated in England and Wales.

The address of Lendlease Europe Holdings Limited is:
20 Triton Street
Regent's Place
London NW1 3BF

The consolidated financial statements of that group may be obtained from:
The Registrar of Companies
Companies House
Crown Way
Maindy, Cardiff.

13 Subsequent events

There has been no event or circumstance since the balance sheet date that would significantly affect the Company.