

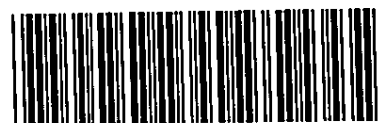
Overgate GP Limited

**Directors' report and
financial statements**

30 June 2010

Registered number 3720195

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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 2010

Principal activities

The principal activity of Overgate GP Limited is to act as general partner to the Lend Lease Overgate Partnership

Results and dividends

The profit for the year after taxation amounted to £49,319 (2009 loss of £21,234) The directors do not recommend the payment of a dividend (2009 £nil)

Directors

'O' Directors

'O' directors are appointed by 'O' shareholders and are officers of the Lend Lease Europe Holdings Limited group The 'O' directors who held office during the year were

C S Matheson (appointed 30 July 2009)
A M Brown
K Redshaw (resigned 30 July 2009)
G Scott

'D' Directors

The 'D' director is appointed by the 'D' shareholders of Overgate GP Limited and is independent of the Lend Lease Europe Holdings Limited group K G Saunders is the only 'D' director

Policy and practice on payment of creditors

The company seeks to agree terms with its suppliers when it commits to expenditure and seeks to adhere to them provided goods are supplied in accordance with agreed terms and conditions

Political and charitable contributions

The Company made no political or charitable contributions during the year (2009 £nil)

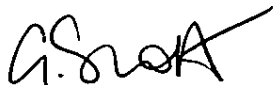
Statement as to disclosure of information to auditors

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 auditors are 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 auditors are aware of that information

Directors' report *(continued)*

Auditors

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



G Scott
Director

142 Northolt Road
Harrow, Middlesex
HA2 0EE

29 NOVEMBER 2010

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 auditors' report to the members of Overgate GP Limited

We have audited the financial statements of Overgate GP Limited for the year ended 30 June 2010 set out on pages 6 to 16. 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 auditors' 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

As explained more fully in the Directors' Responsibilities 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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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 APB's web-site at www.lrc.org.uk/apb/scope/UKNP.

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 2010 and of its profit 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.

Independent auditors' report to the members of Overgate GP Limited *(continued)*

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



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

29th November

2010

Statement of comprehensive income

for the year ended 30 June 2010

	Note	2010 £	2009 £
Revenue		602,424	457,061
Administrative expenses		(536,383)	(484,690)
Operating profit / (loss)		66,041	(27,629)
Net financial expense and income	6	2,458	(1,863)
Profit / (Loss) before taxation		68,499	(29,492)
Taxation	4	(19,180)	8,258
Profit / (Loss) for the year attributable to equity holders of the parent		49,319	(21,234)

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 10 to 16

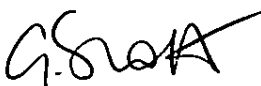
Balance sheet

at 30 June 2010

	Note	2010 £	2009 £
Non current assets			
Investment	7	1	1
Current assets			
Trade and other receivables	8	300,064	222,259
Cash and cash equivalents		-	34,477
Total assets		<u>300,065</u>	<u>256,737</u>
Current liabilities			
Trade and other payables	9	(86,948)	(92,761)
Deferred tax liability		-	(178)
Net Assets		<u>213,117</u>	<u>163,798</u>
Capital and reserves			
Called up share capital	10	15	15
Retained earnings		213,102	163,783
Shareholders' funds		<u>213,117</u>	<u>163,798</u>
Comprising.			
Equity shareholder's funds		213,103	163,784
Non equity shareholder's funds		14	14
		<u>213,117</u>	<u>163,798</u>

The notes to and forming part of these financial statements are set out on pages 10 to 16

These financial statements were approved by the board of directors on 29 November 2010 and were signed on its behalf by



G Scott
Director



C Matheson
Director

Statement of changes in equity
for the year ended 30 June 2010

	Attributable to shareholders		
	Share Capital	Retained Earnings	Total Equity
	£	£	£
Balance at 1 July 2008	15	185,018	185,033
Retained loss for the year	-	(21,234)	(21,234)
Balance at 30 June 2009	15	163,784	163,799
Balance at 1 July 2009	15	163,783	163,798
Retained profit for the year	-	49,319	49,319
Balance at 30 June 2010	15	213,102	213,117

Cash flow statement

for the year ended 30 June 2010

	2010 £	2009 £
Cash flows from operating activities		
Profit/(Loss) for the year	49,319	(21,234)
Adjustments for		
Financial income/(expense)	(2,458)	1,863
Taxation	19,179	(8,258)
	<hr/>	<hr/>
Operating profit/(loss) before changes in working capital	66,040	(27,629)
Decrease in trade and other receivables	(77,804)	104,688
Decrease in trade and other payables	(5,991)	(97,415)
Tax received	(19,180)	8,436
	<hr/>	<hr/>
Net Cash from operating activities	(36,935)	(11,920)
	<hr/>	<hr/>
Cash flow from investing activities		
Financial income	2,458	1,157
Financial expenses	-	(3,020)
	<hr/>	<hr/>
Net cash from investing activities	2,458	(1,863)
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	(34,477)	(13,783)
Cash and cash equivalents at 1 July	34,477	48,260
	<hr/>	<hr/>
Cash and cash equivalents at 30 June	-	34,477
	<hr/>	<hr/>

Notes to the financial statements

1 Accounting policies

Overgate GP Limited 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 IFRS") 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.

Revenue

Revenue is stated net of value added tax and is derived from the provision of fund and asset management services.

Trade and other receivables

Trade and other receivables are stated at their nominal amount (discounted if material) less impairment losses.

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flow at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Borrowing costs

Interest expense is a notional charge to account for the financing cost of working capital balances between the company and its immediate parent undertaking, Lend Lease Europe Limited.

Taxation

Tax on the loss for the year comprises current and deferred tax. Tax is recognised in the income statement 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 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 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 to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Net financing costs

Net financing costs comprise interest payable and interest receivable on funds invested.

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

Notes to the financial statements (continued)

2 Accounting policies (continued)

Key estimates and judgements

These accounts are prepared under IFRSs as adopted by the EU. The choice of accounting policies involves, in some cases, management evaluating and choosing the policy that gives the most true and fair view. The most relevant to the company is in relation to provision for doubtful debt.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations have been issued and are effective or not yet effective for the year ended 30 June 2010 but have not been applied in preparing these financial statements. None of these have a material effect on the financial statements of the Company.

2 Directors' remuneration and employees

The 'O' directors are remunerated as employees by other group companies and received no emoluments in respect of their services as directors (2009: £nil).

The 'D' director received a total of £18,000 (2009: £18,000) for his directorship, which was recovered from the Lend Lease Overgate Partnership.

The company did not employ any staff during the year (2009: nil).

3 Auditors' remuneration

Auditor's remuneration is paid by a fellow subsidiary within the Lend Lease Europe Holdings Limited group.

The directors estimate the fee attributable to the company is £2,300 (2009: £2,300).

4 Taxation

	2010 £	2009 £
Current tax		
UK corporation tax expense on profit for the year	19,386	(8,436)
Total current tax	19,386	(8,436)
Deferred tax		
Partnership Interest	(206)	(179)
Total deferred tax charge/(credit)	(206)	(179)
Total tax on profit/(loss) for the year	19,180	(8,258)

Notes to the financial statements (continued)

4 Taxation (continued)

Reconciliation of the effective current tax rate

	2010 £	2009 £
Profit/(loss) on ordinary activities before tax	68,499	(29,492)
Profit/(loss) on ordinary activities multiplied by standard rate Of corporation tax in the UK of 28% (2009 28%)	19,180	(8,258)
Total tax charge/(credit)	19,180	(8,258)

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. There is no unprovided deferred tax.

5 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following

	Assets		Liabilities		Net	
	2010 £	2009 £	2010 £	2009 £	2010 £	2009 £
Partnership profits	28	-	-	(178)	28	(178)
Tax assets/(liabilities)	28	-	-	(178)	28	(178)
Net of tax liabilities/(assets)						
Net tax (assets)/liabilities	28	-	-	(178)	28	(178)

Notes to the financial statements (continued)

5 Deferred tax assets and liabilities (continued)

Movement in deferred tax during the year

	1st July 2009 £000	Prior Year £000	Recognised in income Current year £000	Rate Change £000	Recognised in income Current year £000	30th June 2010 £000
Partnership profits	(178)	-	206	-	-	28
	<u>(178)</u>	<u>-</u>	<u>206</u>	<u>-</u>	<u>-</u>	<u>28</u>

6 Financial expense and income

	2010 £	2009 £
Bank interest	2,458	1,157
Interest income/(expense) on amount due from Lead Lease Europe Limited	-	(3,020)
	<u>2,458</u>	<u>(1,863)</u>

7 Investments

	2010 £	2009 £
Equity investment in the Lend Lease Overgate Partnership	1	1
	<u>1</u>	<u>1</u>

The investment represents the participation in the Lend Lease Overgate Partnership held by the company as general partner

The holding is included in the balance sheet at cost. The directors are satisfied that the investment is worth at least the amount at which it is stated in the balance sheet

8 Trade and other receivables

	2010 £	2009 £
Prepayments and accrued income	100,717	81,850
Trade receivables from Lend Lease Europe Limited	199,347	140,409
	<u>300,064</u>	<u>222,259</u>

Notes to the financial statements (continued)

9 Trade and other payables

	2010 £	2009 £
Non-trade payables and accrued expenses	86,948	92,761
	<u>86,948</u>	<u>92,761</u>

10 Called up share capital

	2010 £	2009 £
<i>Authorised</i>		
2,000 'D' Shares of £0.01 each	20	20
500,000,000 'O' Shares of £1 each	500,000,000	500,000,000
	<u>500,000,020</u>	<u>500,000,020</u>
<i>Allotted, called up and fully paid</i>		
1,372 'D' Shares of £0.01 each	14	14
1 'O' Share of £1 each	1	1
	<u>15</u>	<u>15</u>

'D' shares only carry the rights to vote on the appointment or removal of 'D' directors. They are repaid in preference to 'O' shares on the winding up of the company but carry no rights to a dividend.

'O' shares carry all voting rights in the company except those described above. They are repaid after 'D' shares on the winding up of the company but carry the rights to receive all dividends declared by the company.

11 Financial Risk Management

a) Introduction and overview

The company has exposure to the following risks:

- Credit risk
- Operational risks
- Interest rate exposure

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

Notes to the financial statements (continued)

11 Financial Risk Management

a) Introduction and overview (continued)

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

b) 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.

c) Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure and from external factors other than credit risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness.

Compliance with the company's standards is supported by a programme of periodic reviews which are discussed at Board level.

d) Sensitivity Analysis

At 30 June 2010, it is estimated that an increase of one percentage point in interest rates would have increased the Company's profit before tax by approximately £1,203 (2009 increased the company's loss by £429).

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

The company is a subsidiary undertaking of Lend Lease Europe Limited, which is registered in England and Wales. Its ultimate parent undertaking 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 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. Consolidated financial statements may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff.

Notes to the financial statements *(continued)*

13 Related Party Disclosures

At the year end the company was owed £199,347 by its parent company, Lend Lease Europe Limited (2009 owed £140,409 by its parent company) During the year the company recognised interest income of £2,458 on this balance (2009 interest expense of £3,020) The interest was charged at LIBOR plus 1.5%

During the year the company was charged base fees of £357,000 (2009 £430,500) by Lend Lease Real Estate Investments Limited, a fellow subsidiary At the year end the company owed £nil (2009 £91,700) to Lend Lease Real Estate Investments Limited

14 Subsequent events

There have been no significant post balance sheet events