

## **Lend Lease Continental Investments Limited**

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

30 June 2011

Registered number 4250938

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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 2011

### Principal activity and review of the business

The principal activity of Lend Lease Continental Investments Limited was formerly to act as a holding company for investments

### Results and dividends

The result for the year, after taxation amounted to £nil (2010 loss of £11) The directors do not propose a dividend for the year (2010 £1,176,800)

### 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 S Matheson  
A M Brown

### Political and charitable contributions

The company made no political or charitable contributions during the year (2010 £nil)

### Statement as to 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 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 S Matheson  
Director  
20 Triton Street  
Regent's Place, London  
NW1 3BF

9 NOVEMBER 2011

## **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 Continental Investments Limited

We have audited the financial statements of Lend Lease Continental Investments Limited for the year ended 30 June 2011 set out on pages 4 to 10. 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 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.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### 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 2011 and of its result 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.



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

9<sup>th</sup> November 2011

**Statement of comprehensive income**  
 for the year ended 30 June 2011

	Note	2011 £	2010 £
Revenue		-	-
Administrative expenses		-	(15)
<b>Operating loss</b>		-	(15)
Financial income		-	-
Financial expense		-	-
<b>Loss on ordinary activities before taxation</b>		-	(15)
Taxation	5	-	4
<b>Loss on ordinary activities after taxation</b>		-	(11)
<b>Total comprehensive income for the year</b>		-	(11)

All activities are continuing

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

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

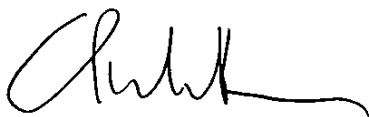
The notes to and forming part of these financial statements are set out on pages 8 to 10

**Balance Sheet**  
 as at 30 June 2011

	Note	2011 £	2010 £
<b>Current assets</b>			
Trade and other receivables		-	-
<b>Total assets</b>		-	-
<b>Current liabilities</b>			
Trade and other payables	4	(10)	(10)
<b>Total liabilities</b>		(10)	(10)
<b>Net assets</b>		(10)	(10)
<b>Capital and reserves</b>			
Called up share capital	6	1	1
Retained earnings		(11)	(11)
<b>Total equity</b>		(10)	(10)

The notes to and forming part of these financial statements are set out on pages 8 to 10

These financial statements were approved by the board of directors on *9 November* 2011  
 and were signed on its behalf by



C S Matheson  
 Director



**Statement of changes in shareholder's equity**  
 for the year ended 30 June 2011

Note	Attributable to shareholders		Total equity £
	Share capital £	Retained earnings £	
Balance at 1 July 2009	1	1,176,800	1,176,801
Interim dividend	-	(1,176,800)	(1,176,800)
Retained loss for the year	-	(11)	(11)
<b>Balance at 30 June 2010</b>	<b>1</b>	<b>(11)</b>	<b>(10)</b>
Balance at 1 July 2010	1	(11)	(10)
Retained result for the year	-	-	-
<b>Balance at 30 June 2011</b>	<b>1</b>	<b>(11)</b>	<b>(10)</b>

The notes to and forming part of these financial statements are set out on pages 8 to 10

**Cashflow statement**

for the year ended 30 June 2011

	2011 £	2010 £
<b>Cash flows from operating activities</b>		
Loss for the year	-	(11)
<i>Adjustments for</i>		
Taxation	-	(4)
<b>Operating loss before changes in working capital</b>	-	(15)
Decrease in trade and other receivables	-	1,176,801
Increase in trade and other payables	-	10
Income tax received	-	4
<b>Net cash from operating activities</b>	-	1,176,800
<b>Financing activities</b>		
Dividends paid	-	(1,176,800)
<b>Net cash from financing activities</b>	-	(1,176,800)
<b>Increase in cash and cash equivalents</b>		
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at 1 July	-	-
<b>Cash and cash equivalents at 30 June</b>	-	-

The notes to and forming part of these financial statements are set out on pages 8 to 10

## Notes to the financial statements

### 1 Accounting policies

Lend Lease Continental Investments 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 financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependant 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.

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

#### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit 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 liability 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 profits 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.

#### **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 that are effective or not yet effective for the year ended 30 June 2011, 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 directors did not receive any emoluments in respect of their services to the company (2010: £nil). The company did not employ any staff during the year (2010: nil).

### 3 Auditor's remuneration

Auditor's remuneration in respect of audit and other fees were paid by Lend Lease Europe Limited, the immediate parent undertaking. The directors estimate the fee attributable to the company is £500 (2010: £3,400).

### 4 Trade and other payables

	2011	2010
	£	£
Amounts owed to Lend Lease Europe Limited	10	10

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

**5 Taxation**

**(a) Analysis of credit recognised in the Statement of Comprehensive Income**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
United Kingdom corporation tax credit	-	(4)

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.

**(b) Factors affecting tax charge for the year**

The tax assessed differs from the application of the standard rate of corporation tax in the UK (2011 27.5%, 2010 28%) to the company's accounting profit before taxation for the following reasons:

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Loss before tax	-	(15)
Tax using the UK corporation tax rate of 27.5% (2010 28%)	-	(4)

**6 Called up share capital**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Authorised share capital</b>		
100 ordinary shares of £1 each	100	100
4,554,540 'B' redeemable shares of £1 each	4,554,540	4,554,540
	<u>4,554,640</u>	<u>4,554,640</u>

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	1	1

**7 Subsequent events**

There have been no significant post balance sheet events.

**8 Related Party Disclosures**

At the year end the company owed £10 to its parent company (2010 owed £10), Lend Lease Europe Limited.

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

**9 Financial Risk Management**

**Introduction and overview**

The company has exposure to the following risks

- Credit risk
- Operational risks

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. 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.

**a) 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.

**b) Operational risk**

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.

**10 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](http://www.lendlease.com.au).

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