

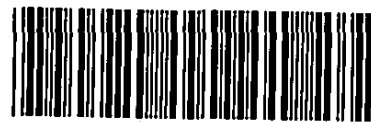
**Lend Lease Continental Investments  
Limited**

**Directors' report and  
financial statements**

30 June 2010

Registered number 4250938

THURSDAY



\*L7WD4SWT\*

L36

31/03/2011

114

COMPANIES HOUSE

---

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

### **Contents**

Directors' report	1
Statement of directors' responsibilities	2
Independent auditor's report to the members of Lend Lease Continental Investments Limited	3
Statement of comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Cash flow statement	8
Notes to the financial statements	9 - 13

## **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 Lend Lease Continental Investments Limited was formerly to act as a holding company for investments. Lend Lease Continental Investments Limited has ceased trading and is expected to become dormant in upcoming financial periods.

### **Results and dividends**

The loss for the year, after taxation, amounted to £11 (2009 profit of £168,798). On 30 September 2009 an interim dividend of £1,176,800 (2009 nil) was declared payable and paid within the financial year.

### **Directors**

The directors of the company 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 (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 ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **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.

On behalf of the Board



C S Matheson  
Director

142 Northolt Road  
Harrow Middlesex  
HA2 0EE  
23 March 2011

## **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 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 2010 set out on pages 5 to 13. 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 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, 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.lfc.org.uk/apb/scope/private.cfm](http://www.lfc.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 2010 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.

**Independent auditors' report to the members of Lend Lease Continental Investments 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

23<sup>rd</sup> March 2011

## Statement of comprehensive income

*for the year ended 30 June 2010*

	<i>Note</i>	<b>2010</b> <b>£</b>	<b>2009</b> <b>£</b>
Provision release		-	234 425
Administrative expenses		(15)	(5)
		<hr/>	<hr/>
<b>(Loss)/ profit before interest and taxation</b>		(15)	234 420
Financial income	4	-	22
		<hr/>	<hr/>
<b>(Loss)/profit on ordinary activities before taxation</b>		(15)	234 442
Tax on ordinary activities	5	4	(65 644)
		<hr/>	<hr/>
<b>Total comprehensive (loss)/profit for the financial year</b>		(11)	168 798
		<hr/>	<hr/>

All activities for the company have ceased

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 9 to 13

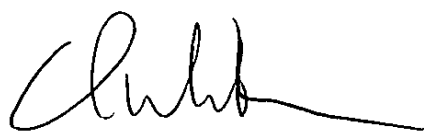
## Balance sheet

at 30 June 2010

	<i>Note</i>	<b>2010</b> £	<b>2009</b> £
<b>Current assets</b>			
Trade and other receivables	6	-	1,176,801
		<hr/>	<hr/>
<b>Total assets</b>		-	1,176,801
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade and other payables	7	(10)	-
		<hr/>	<hr/>
		(10)	-
		<hr/>	<hr/>
<b>Net (liabilities)/assets</b>		(10)	1 176,801
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Retained earnings		(11)	1,176,800
		<hr/>	<hr/>
<b>Equity shareholders' (deficit)/funds</b>		(10)	1 176 801
		<hr/>	<hr/>

The notes to and forming part of these financial statements are set out on pages 9 to 13

These financial statements were approved by the board of directors on **23 March** 2011 and were signed on its behalf by



**C S 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	1	1 008 002	1 008 003
Retained profit for the year	-	168 798	168 798
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2009</b>	<b>1</b>	<b>1,176,800</b>	<b>1,176,801</b>
	<hr/>	<hr/>	<hr/>
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)
	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2010</b>	<b>1</b>	<b>(11)</b>	<b>(10)</b>
	<hr/>	<hr/>	<hr/>

## Cash flow statement

*for the year ended 30 June 2010*

	2010 £	2009 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the year	(11)	168 798
<i>Adjustments to reconcile profit for the year to net cash inflow from operating activities</i>		
Provision	-	(234 425)
Taxation	(4)	65,644
Net foreign exchange	-	(22)
	<hr/>	<hr/>
<b>Operating loss before changes in working capital</b>	(15)	(5)
Decrease in trade and other receivables	1 176,801	114 501
Increase/(decrease) in trade and other payables	10	(48 874)
Tax received/(paid)	4	(65 644)
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	1 176 800	(22)
	<hr/>	<hr/>
<b>Cashflows from financing activities</b>		
Dividends paid	(1 176 800)	-
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	(1,176 800)	-
	<hr/>	<hr/>
<b>Other cash flow items</b>		
Effect of foreign exchange rate movements on cash and cash equivalents	-	22
<b>Increase in cash and cash equivalents</b>		
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at 1 July	-	-
	<hr/>	<hr/>
<b>Cash and cash equivalents at 30 June</b>	-	-
	<hr/>	<hr/>

## **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 and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs")

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods 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 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.

#### ***Foreign currency***

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction

#### ***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

#### ***Interest-bearing borrowings***

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis

#### ***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 flows 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

#### ***Trade and other receivables***

Trade and other receivables are stated at their nominal amount (discounted if material) less provision for doubtful debts

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

### **1 Accounting policies** *(continued)*

#### ***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.

#### ***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 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.

#### ***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 Lend Lease Real Estate Investments GmbH restructuring costs.

### **2 Directors' remuneration and employees**

The directors did not receive any emoluments in respect of their services to the company (2009: £nil).

The company did not employ any staff during the year (2009: 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 £3,400 (2009: £3,400).

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

### 4 Financial income

	2010 £	2009 £
Foreign currency gain	-	22
	<u>-</u>	<u>22</u>
	<u>-</u>	<u>22</u>

### 5 Taxation

#### a) Analysis of tax (credit)/charge for the year

	2010 £	2009 £
United Kingdom corporation tax (credit)/charge	(4)	65 644
	<u>(4)</u>	<u>65 644</u>

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 (2010: 28% 2009: 28%) to the company's accounting profit before taxation for the following reasons:

	2010 £	2009 £
(Loss)/profit on ordinary activities before tax	(15)	234 442
	<u>(15)</u>	<u>234 442</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK (2010: 28% 2009: 28%)	(4)	65 644
	<u>(4)</u>	<u>65 644</u>

### 6 Trade and other receivables

	2010 £	2009 £
Amounts owed by Lend Lease Europe Limited	-	1 176 801
	<u>-</u>	<u>1 176 801</u>
	<u>-</u>	<u>1 176 801</u>

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

### 7 Trade and other payables

	2010 £	2009 £
Amounts owed to Lend Lease Europe Limited	10	-
	<u>10</u>	<u>-</u>

### 8 Called up share capital

	2010 £	2009 £
<i>Authorised</i>		
4,554,540 'B' redeemable shares of £1 each	4,554,540	4,554,540
100 ordinary shares of £1 each	100	100
	<u>4,554,640</u>	<u>4,554,640</u>
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

### 9 Financial risk management

The company has exposure to credit risk and operational risks. This note presents information about the company's exposure to financial risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

#### *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.

#### *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.

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

### **9 Financial risk management (continued)**

#### *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.

#### *Sensitivity Analysis*

At 30 June 2010, it is estimated that an increase of one percentage point in interest rates would have no impact on the Company's profit before tax (2009: £nil).

### **10 Related Party Disclosures**

At the year end the company owed £10 to its parent company (2009: was owed £1,176,801 by its parent company), Lend Lease Europe Limited.

### **11 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 [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. Consolidated financial statements may be obtained from The Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff.