

Company registration number: 07438435

# Lendlease PFI/PPP Infrastructure Fund Investor Limited

Annual Report and Financial Statements

for the year ended 30 June 2020



# **Lendlease PFI/PPP Infrastructure Fund Investor Limited**

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# **Lendlease PFI/PPP Infrastructure Fund Investor Limited**

## **Directors' Report for the Year Ended 30 June 2020**

The directors of Lendlease PFI/PPP Infrastructure Fund Investor Limited present their report for the financial year ended 30 June 2020.

### **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:

Y Kostopoulos (resigned 14 August 2020)

T L Mackellar

M J Packer

The following director was appointed after the year end:

J M Walker (appointed 3 August 2020)

### **Results**

The Company's profit after tax for the year was £0.1m (2019: £0.1m).

### **Dividends**

The directors do not recommend the payment of a dividend (2019: £nil).

### **Business review**

The principal activity of the Company was to hold investments. On 19 January 2016 the Company sold its 1% effective share in the Treasure PFI/PPP Infrastructure Investor Limited Partnership to PPDI Assetco Limited. It is the intention of the directors to liquidate the company following settlement of the remaining net assets, therefore the financial statements have not been prepared on a going concern basis.

### **Political donations**

The Company made no political donations or incurred any political expenditure during the year (2019: £nil).

### **Outlook**

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

Lendlease continues to monitor potential risks and uncertainties posed from the UK's exit from the EU. In particular, consideration has been given to specific risks relating to the workforce, investors, customers, the security of our supply chain and where possible, mitigating actions are being implemented. We are of the view that the UK, and in particular London, is one of the most resilient economies in the world. Despite the continuing political uncertainty surrounding Brexit, Lendlease believes in the long-term viability of the UK as a place to invest.

Lendlease is closely monitoring the developing situation relating to COVID-19 which has emerged in early 2020. The Directors and management of the wider Lendlease Group have taken immediate and significant actions, all within management's control, to reduce costs and optimise the cash flow and liquidity position, including reduction of non-essential capital and project expenditure and overhead reduction initiatives. The full impact the pandemic will have on the Company is uncertain given the situation is evolving and the wider impact on the economy is unknown, however due to the nature of the Company, to date, there has not been a material impact.

### **Events after the balance sheet date**

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

**Lendlease PFI/PPP Infrastructure Fund Investor Limited**

**Directors' Report for the Year Ended 30 June 2020 (continued)**

**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.

Approved by the Board on 5 October 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'M J Packer', is written over a dotted line.

.....  
M J Packer  
Director

## **Lendlease PFI/PPP Infrastructure Fund Investor 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. As explained in note 2, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

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 Auditor's Report to the Members of Lendlease PFI/PPP Infrastructure Fund Investor Limited**

### **Opinion**

We have audited the financial statements of Lendlease PFI/PPP Infrastructure Fund Investor Limited (the "Company") for the year ended 30 June 2020, which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and related notes, including the 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 2020 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 in note 2 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

## **Independent Auditor's Report to the Members of Lendlease PFI/PPP Infrastructure Fund Investor Limited (continued)**

We have nothing to report in these respects.

### **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.

### **Auditor's 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 auditor's 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](http://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:....6 October 2020.....

**Lendlease PFI/PPP Infrastructure Fund Investor Limited**

**Statement of Profit or Loss and Other Comprehensive Income  
For the year ended 30 June 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
Revenue		-	-
<b>Results from operating activities</b>		-	-
Finance income	4	72,576	72,044
<b>Net finance income</b>		<b>72,576</b>	<b>72,044</b>
<b>Profit before tax</b>		<b>72,576</b>	<b>72,044</b>
Income tax expense	8	(13,789)	(13,687)
<b>Profit after tax</b>		<b>58,787</b>	<b>58,357</b>
<b>Total comprehensive income after tax</b>		<b>58,787</b>	<b>58,357</b>

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



# Lendlease PFI/PPP Infrastructure Fund Investor Limited

## Statement of Financial Position as at 30 June 2020

	Note	30 June 2020 £	30 June 2019 £
<b>Current assets</b>			
Trade and other receivables	9	7,063,789	7,004,901
<b>Total current assets</b>		<b>7,063,789</b>	<b>7,004,901</b>
<b>Current liabilities</b>			
Current tax payable	8	(13,789)	(13,688)
<b>Total current liabilities</b>		<b>(13,789)</b>	<b>(13,688)</b>
<b>Net assets</b>		<b>7,050,000</b>	<b>6,991,213</b>
<b>Equity</b>			
Issued capital	10	6,700,000	6,700,000
Retained earnings		350,000	291,213
<b>Total equity</b>		<b>7,050,000</b>	<b>6,991,213</b>

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 5 October 2020 and were signed on its behalf by:



.....  
M J Packer

Director

Company Registration Number: 07438435

**Lendlease PFI/PPP Infrastructure Fund Investor Limited**

**Statement of Changes in Equity for the year ended 30 June 2020**

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 July 2018	<u>6,700,000</u>	<u>232,856</u>	<u>6,932,856</u>
<b>Total comprehensive income</b>			
Profit for the year	<u>-</u>	<u>58,357</u>	<u>58,357</u>
<b>Total comprehensive income</b>	<u>-</u>	<u>58,357</u>	<u>58,357</u>
At 30 June 2019	<u><b>6,700,000</b></u>	<u><b>291,213</b></u>	<u><b>6,991,213</b></u>

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 July 2019	<u>6,700,000</u>	<u>291,213</u>	<u>6,991,213</u>
<b>Total comprehensive income</b>			
Profit for the year	<u>-</u>	<u>58,787</u>	<u>58,787</u>
<b>Total comprehensive income</b>	<u>-</u>	<u>58,787</u>	<u>58,787</u>
At 30 June 2020	<u><b>6,700,000</b></u>	<u><b>350,000</b></u>	<u><b>7,050,000</b></u>

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

## **Lendlease PFI/PPP Infrastructure Fund Investor Limited**

### **Notes to the Financial Statements for the year ended 30 June 2020**

#### **1 General information**

Lendlease PFI/PPP Infrastructure Fund Investor Limited (the "Company") is a private company limited by share capital incorporated and domiciled in United Kingdom. The company registration number is 07438435.

The address of its registered office is:

20 Triton Street  
Regent's Place  
London  
NW1 3BF  
United Kingdom

The principal activity of the Company was to hold investments. On 19 January 2016 the Company sold its 1% effective share in the Treasure PFI/PPP Infrastructure Investor Limited Partnership to PPDI Assetco Limited. It is the intention of the directors to liquidate the company following settlement of the remaining net assets, therefore they have not prepared the financial statements on a going concern basis.

#### **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 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 that 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.

# **Lendlease PFI/PPP Infrastructure Fund Investor Limited**

## **Notes to the Financial Statements for the year ended 30 June 2020 (continued)**

### **2 Basis of preparation (continued)**

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

#### **Summary of significant accounting policies and key accounting estimates**

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**

None of the standards, interpretations and amendments which are effective for periods beginning on or after 1 July 2019 have had or are expected to have 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 amount at which the remaining net assets are included in these financial statements.

#### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements that comply with IFRS requires management to make judgements, estimates and assumptions which can affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis and revisions are recognised prospectively. Accounting judgements that have the most significant effects on reported amounts and further information about estimated uncertainties are highlighted in the relevant accounting policy in note 3.

### **3 Accounting policies**

#### **Finance income and costs**

Finance income is recognised as it is earned using the effective interest method, which applies the interest rate that discounts estimated future cash receipts over the expected life of the financial instrument. The discount is then recognised as finance revenue over the remaining life of the financial instrument.

Finance costs include interest, amortisation of discounts or premiums relating to borrowings and amortisation of costs incurred in connection with the arrangement of new borrowings facilities. Costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings. Finance costs are expensed immediately as incurred unless they relate to acquisition and development of qualifying assets. Qualifying assets are assets that take more than six months to prepare for their intended use or sale. Finance costs related to qualifying assets are capitalised.

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 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.

## **Lendlease PFI/PPP Infrastructure Fund Investor Limited**

### **Notes to the Financial Statements for the year ended 30 June 2020 (continued)**

#### **3 Accounting policies (continued)**

Current tax is the expected tax payable or receivable 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 previous financial years. The current tax payable or receivable includes amounts awaiting settlement of group relief with other Lendlease Europe Holdings Limited subsidiary entities.

#### **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 irrecoverable amounts and expected credit losses, 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.

## **Lendlease PFI/PPP Infrastructure Fund Investor Limited**

### **Notes to the Financial Statements for the year ended 30 June 2020 (continued)**

#### **3 Accounting policies (continued)**

##### **Trade and other payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company. Trade and other payables are settled in the normal course of business. Trade and other payables are carried at amortised cost using the effective interest method, which applies the interest rate that discounts estimated future cash outflows over the term of the trade and other payables. Cash flows relating to short term trade and other payables are not discounted if the effect of discounting is immaterial. The discount, if material, is then recognised as a finance cost over the remaining term.

##### **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 Finance income and costs**

	2020 £	2019 £
<b>Finance income</b>		
Interest receivable from related parties	<u>72,576</u>	<u>72,044</u>

#### **5 Employees**

The Company did not employ any staff during the year (2019: nil).

#### **6 Directors' remuneration**

The directors of the Company were all directly employed by Lendlease Construction (Europe) Limited however their costs were recharged to 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 entity. The directors' remuneration for the current year and prior year is included in the financial statements of the above entity.

# Lendlease PFI/PPP Infrastructure Fund Investor Limited

## Notes to the Financial Statements for the year ended 30 June 2020 (continued)

### 7 Auditor's remuneration

	2020 £	2019 £
Audit of financial statements	<u>(1,904)</u>	<u>(1,966)</u>

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

### 8 Taxation

Tax charged in the Statement of Profit or Loss

	2020 £	2019 £
<b>Current tax</b>		
Current year	(13,789)	(13,688)
Adjustments for prior years	<u>-</u>	<u>1</u>
<b>Total current tax</b>	<u>(13,789)</u>	<u>(13,687)</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>72,576</u>	<u>72,044</u>
Income tax using the domestic corporation tax rate 19% (2019: 19%)	(13,789)	(13,688)
Adjustments for prior year tax claim	<u>-</u>	<u>1</u>
<b>Total income tax credit</b>	<u>(13,789)</u>	<u>(13,687)</u>

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. The Company's profits for the accounting period are taxed at a statutory rate of 19% (2019: 19%).

### 9 Trade and other receivables

	30 June 2020 £	30 June 2019 £
<b>Current</b>		
Amounts owing from related parties	<u>7,063,789</u>	<u>7,004,901</u>
<b>Total trade and other receivables</b>	<u>7,063,789</u>	<u>7,004,901</u>

## **Lendlease PFI/PPP Infrastructure Fund Investor Limited**

### **Notes to the Financial Statements for the year ended 30 June 2020 (continued)**

#### **9 Trade and other receivables (continued)**

In the current reporting period, additional reviews were undertaken to assess recoverability in light of the COVID-19 pandemic. As the majority of the Company's customers are Lendlease Group entities, no additional risk has been identified.

#### **10 Issued capital**

##### **Allotted, called up and fully paid shares**

	<b>2020</b>		<b>2019</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary Shares of £1 each	<u>6,700,000</u>	<u>6,700,000</u>	<u>6,700,000</u>	<u>6,700,000</u>

##### **Rights, preferences and restrictions**

Ordinary shares have the following rights, preferences and restrictions:

The holders 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.

#### **11 Parent and ultimate parent undertaking**

The Company's immediate parent is Lendlease Europe Limited.

The ultimate parent is Lendlease Corporation Limited.



## **Lendlease PFI/PPP Infrastructure Fund Investor Limited**

### **Notes to the Financial Statements for the year ended 30 June 2020 (continued)**

#### **11 Parent and ultimate parent undertaking (continued)**

##### **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](http://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.

#### **12 Subsequent events**

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