

IQL Estate Management Company Limited

Annual Report and Financial Statements

for the year ended 30 June 2020



IQL Estate Management Company Limited

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IQL Estate Management Company Limited

Directors' Report for the Year Ended 30 June 2020

The directors of IQL Estate Management Company 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:

P Hawthorne

R J Seeley

T L Mackellar

A C S Lee (resigned 20 December 2019)

R G Willis

M Boor (resigned 26 May 2020)

J Kerr (appointed 16 January 2020 and resigned 21 July 2020)

Results

The Company's result after tax for the year was £nil (2019 £nil).

Dividends

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

Political donations

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

Outlook

The Company will continue to carry out estate management activities.

The Company 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, the Company believes in the long-term viability of the UK as a place to invest.

The Company is closely monitoring the developing situation relating to COVID-19 which has emerged in early 2020. The Directors and management of the wider 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.

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.

IQL Estate Management Company Limited

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

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 4 February 2021 and signed on its behalf by:



.....
T L Mackellar
Director

IQL Estate Management Company 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 Auditor's Report to the Members of IQL Estate Management Company Limited

Opinion

We have audited the financial statements of IQL Estate Management Company 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 results 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.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

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.

Independent Auditor's Report to the Members of IQL Estate Management Company Limited (continued)

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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

Independent Auditor's Report to the Members of IQL Estate Management Company Limited (continued)

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: 5 February 2021

IQL Estate Management Company Limited

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

	Note	2020 £ 000	2019 £ 000
Revenue	4	291	1,253
Operating expenses		(291)	(1,254)
Results from operating activities		-	(1)
Finance income	5	-	1
Profit/(loss) before tax		-	-
Profit/(loss) after tax		-	-
Total comprehensive income/(loss) after tax		-	-

The above results were derived from continuing operations.

The notes to and forming part of these financial statements are set out on pages 10 to 17.


IQL Estate Management Company Limited

Statement of Financial Position as at 30 June 2020

	Note	2020 £ 000	2019 £ 000
Current assets			
Cash and cash equivalents	10	26	107
Trade and other receivables	9	110	397
Total current assets		136	504
Current liabilities			
Trade and other payables	11	(136)	(504)
Total current liabilities		(136)	(504)
Net assets/(liabilities)		-	-
Equity			
Issued capital	12	-	-
Total equity		-	-

The notes to and forming part of these financial statements are set out on pages 10 to 17.

These statements were approved by the Board on 4 February 2021 and were signed on its behalf by:



T L Mackellar

Director

Company Registration Number: 10935373

IQL Estate Management Company Limited

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

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 July 2018	-	-	-
Total comprehensive income			
Profit/(loss) for the year	-	-	-
Total comprehensive income	-	-	-
At 30 June 2019	-	-	-

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 July 2019	-	-	-
Total comprehensive income			
Profit/(loss) for the year	-	-	-
Total comprehensive income	-	-	-
At 30 June 2020	-	-	-

The notes to and forming part of these financial statements are set out on pages 10 to 17.

IQL Estate Management Company Limited

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

1 General information

IQL Estate Management Company Limited (the "Company") is a private company limited by share capital incorporated and domiciled in United Kingdom. The company registration number is 10935373.

The address of its registered office is:

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

The principal activity of the Estate Management company is to deal with the maintenance of certain shared areas around the South site at IQL and then charge the cost of the maintenance to the tenants through a service charge.

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 Stratford City Business District 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.

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

IQL Estate Management Company Limited

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

2 Basis of preparation (continued)

Changes in accounting policy

New standards, interpretations and amendments effective

None of the standards applied for the first time from 1 July 2019 have had a material effect on the financial statements.

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate. The Company finished the year with a net asset position of £nil (2019: £nil). The Directors have considered the liquidity and cash flows of the Company going forward, in particular adverse effects that could arise due to the ongoing COVID-19 pandemic and they believe that the Company is well placed to manage its future commitments over a period of at least 12 months from the date of the 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

Revenue recognition

Provision of services

Revenue from the provision of services is recognised in the Statement of Profit or Loss in line with the administrative expenses incurred. This revenue depicts the amount of consideration to which the Company expects to recover under the contractual terms.

Finance income and costs

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.

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 in other comprehensive income, in which case it is recognised directly in other comprehensive income.

IQL Estate Management Company Limited

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

3 Accounting policies (continued)

Deferred tax is the expected tax payable or receivable 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 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.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, bank overdrafts and other short term highly liquid investments that are readily convertible to known amounts of cash within three months and which are subject to an insignificant risk of changes in value. Bank overdrafts (if applicable) are shown as a current liability on the Statement of Financial Position.

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.

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.

IQL Estate Management Company Limited

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

3 Accounting policies (continued)

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.

IQL Estate Management Company Limited

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

4 Revenue

The analysis of the Company's revenue for the year from continuing operations is as follows:

	2020 £ 000	2019 £ 000
Provision of services	291	1,253
Total revenue	291	1,253

5 Finance income and costs

	2020 £ 000	2019 £ 000
Finance income		
Interest on late service charge income	-	1

6 Employees

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

7 Directors' remuneration

The directors of the Company are employees of the following entities:

P Hawthorne: London & Continental Railways Limited
R J Seeley: Lendlease Development (Europe) Limited ¹
T L Mackellar: Lendlease Europe Limited ¹
A C S Lee: London & Continental Railways Limited
R G Willis: London & Continental Railways Limited
M Boor: 80% Lendlease Real Estate Investment Services Limited, 20% Lendlease Europe Limited ¹
J Kerr: London & Continental Railways 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 entities.

Note 1: The director was directly employed by Lendlease Construction (Europe) Limited during the financial year, however their costs were recharged to the above entities.

8 Auditor's remuneration

	2020 £ 000	2019 £ 000
Audit of financial statements	4	4

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

IQL Estate Management Company Limited

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

9 Trade and other receivables

	2020 £ 000	2019 £ 000
Current		
Trade receivables	27	236
Unearned income	15	-
Other receivables	68	161
Total current	110	397
Total trade and other receivables	110	397

In the current reporting period, additional reviews were undertaken to assess recoverability in light of the COVID-19 pandemic and no additional risk has been identified.

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

10 Cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank	26	107
Cash and equivalents	26	107

11 Trade and other payables

	2020 £ 000	2019 £ 000
Current		
Trade payables	(136)	(503)
Other payables	-	(1)
Total trade and other payables	(136)	(504)

IQL Estate Management Company Limited

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

12 Issued capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary A Shares of £1 each	1	1	1	1
Ordinary B Shares of £1 each	10	10	10	10
Ordinary C Shares of £1 each	1	1	1	1
	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

Ordinary A shares carry voting rights and the shareholders shall be entitled to receive notice of, attend and vote at any general meeting of the company (or on any written resolution), shall have one vote on a show of hands and such number of votes which is equal to three times the aggregate number of B shares and C shares on a poll vote. The shares do not carry a right to receive a dividend.

Ordinary B shares carry voting rights and the shareholders shall be entitled to receive notice of, attend and vote at any general meeting of the company (or any written resolution), shall have one vote on a show of hands and one vote for each B share of which they are the holder on a poll vote. The shares do not carry a right to receive a dividend.

Ordinary C shares carry voting rights and the shareholders shall be entitled to receive notice of, attend at and vote at any general meeting of the company (or any written resolution), shall have one vote on a show of hands and one vote for each C share of which they are a holder on a poll vote. The shares do not carry a right to receive a dividend.

13 Parent and ultimate parent undertaking

The Company's immediate parent is Stratford City Business District Limited.

The Company is a 100% subsidiary of Stratford City Business District Limited. Stratford City Business District Limited is jointly controlled by Lendlease Stratford Limited Partnership and LCR Stratford Limited Partnership. The ultimate owners are Lendlease Corporation Limited (LLC) and the Secretary of State for Transport respectively.

The ultimate parent undertaking for Lendlease Stratford Limited Partnership is Lendlease Corporation Limited, a company incorporated in Australia, which is the parent of the largest group in which these financial statements are consolidated.

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 the group may be obtained from www.lendlease.com

IQL Estate Management Company Limited

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

13 Parent and ultimate parent undertaking (continued)

The smallest group in which the share relating to Lendlease Stratford Limited Partnership is consolidated is headed by Lendlease Europe Holdings Limited, a company 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

The ultimate parent undertaking for LCR Stratford Limited Partnership is The Secretary of State for Transport, in the form of the Department for Transport is a central government department in the United Kingdom. Its financial statements are publicly available from the Department for Transport, Great Minster House, 33 Horseferry Road, London, SW1P 4DR.

The smallest group in which the share relating to LCR Stratford Limited Partnership is consolidated is headed by London & Continental Railways Limited, a company incorporated in England and Wales.

The address of London & Continental Railways Limited is:
20 Cranbourn Street
London
WC2H 7AA

The consolidated financial statements of that group may be obtained from:

The registrar of Companies
Companies House
Crown Way
Maindy, Cardiff

14 Subsequent events

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