

Lend Lease Europe Retail Investments Limited

Directors' report and financial statements

30 June 2007

Registered number 3635554

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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 2007

Principal activities

The principal activity of Lend Lease Europe Retail Investments Limited is to hold investments

Results and dividends

The profit for the year after taxation amounted to £3,484,810 (2006 £2,336,279) A dividend of £13,000,000 (2006 £nil) for the prior year was paid and accounted for in the current year

During the year, the company adopted International Financial Reporting Standards (IFRSs)

Position of the company at the year end and future prospects

Since 30 June 2007 the UK retail property sector has seen significant market deterioration due to falls in global equity markets The fixed asset investments held by the company are at cost

While management recognise the risks associated with the current economic uncertainty they take a long term view They believe that upwards revaluations since original acquisition minimise the risk of future downward revaluations taking carrying value below cost The directors are satisfied that the investments are worth at least the amount at which they are included in the balance sheet

Directors

The directors during the year were as follows

C S Matheson
R G Caven
T W Lee

Subsequent to the year end, R Butler and D Nicklin were appointed as directors and C S Matheson and T W Lee resigned as directors on the 23 July 2007 and 28 March 2008 respectively

Political and charitable contributions

The Company made no political or charitable contributions during the year (2006 £nil)

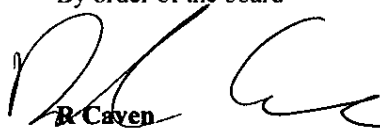
Statement as to disclosure of information to auditors

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

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting

By order of the board


R G Caven
Director

19 Hanover Square
London W1S 1HY
23rd April 2008

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.

The financial statements are required by law to present fairly the financial position and the performance of the Company. The Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.

KPMG LLP

8 Salisbury Square
London
United Kingdom
EC4Y 8BB

Independent auditors' report to the members of Lend Lease Europe Retail Investments Limited

We have audited the financial statements of Lend Lease Europe Retail Investments Limited for the year ended 30 June 2007 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent auditors' report to the members of Lend Lease Europe Retail Investments Limited *(continued)*

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Company's affairs as at 30 June 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Robert W.P.

KPMG LLP
Chartered Accountants
Registered Auditor

25 April 2008

Income statement

for the year ended 30 June 2007

	<i>Note</i>	2007 £	2006 £
Other income		4,982,135	3,354,814
Administrative expenses		(27,122)	(2,168)
Operating profit		4,955,013	3,352,646
Financial income		626	986
Financial expense	4	(1)	(1,126)
Profit before taxation		4,955,638	3,352,506
Taxation	5	(1,470,828)	(1,016,227)
Profit on ordinary activities after taxation		3,484,810	2,336,279

All activities are continuing

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

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

The notes to and forming part of the financial statements are set out on pages 9 to 19

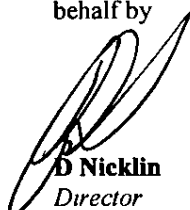
Balance sheet

at 30 June 2007

	Note	2007 £	2006 £
Non current assets			
Investments	6	78,010,543	59,627,585
Current assets			
Cash and cash equivalent		317	-
Deferred tax asset	8	266,084	-
Investments	6	27,762,987	27,188,160
		<hr/> 28,029,388 <hr/>	<hr/> 27,188,160 <hr/>
Total assets		<hr/> 106,039,931 <hr/>	<hr/> 86,815,745 <hr/>
Current liabilities			
Trade and other payables	7	(99,382,545)	(71,197,948)
Non current liabilities			
Deferred tax liabilities	8	(612,779)	(58,000)
		<hr/> (99,995,324) <hr/>	<hr/> (71,255,948) <hr/>
Total liabilities			
		<hr/> 6,044,607 <hr/>	<hr/> 15,559,797 <hr/>
Net assets			
		<hr/> 6,044,607 <hr/>	<hr/> 15,559,797 <hr/>
Capital and reserves			
Called up share capital	9	1	1
Retained Earnings		6,044,606	15,559,796
		<hr/> 6,044,607 <hr/>	<hr/> 15,559,797 <hr/>
Equity shareholders' funds			
		<hr/> 6,044,607 <hr/>	<hr/> 15,559,797 <hr/>

The notes to and forming part of these financial statements are set out on pages 9 to 19

These financial statements were approved by the board of directors on 23rd April 2008 and were signed on its behalf by


D Nicklin
Director


R G Caven
Director

Statement of changes in equity
for the year ended 30 June 2007

	Attributable to shareholders		
	Share capital	Retained earnings	Total equity
	£	£	£
Balance at 1 July 2005	1	13,223,517	13,223,518
Retained profit for the year	-	2,336,279	2,336,279
Balance at 30 June 2006	1	15,559,796	15,559,797
Balance at 1 July 2006	1	15,559,796	15,559,797
Retained profit for the year	-	3,484,810	3,484,810
Dividend for the year	-	(13,000,000)	(13,000,000)
Balance at 30 June 2007	1	6,044,606	6,044,607

Cash flow statement

for the year ended 30 June 2007

	2007	2006
	£	£
Cash flows from operating activities		
Profit for the year	3,484,810	2,336,279
Adjustments for		
Net financial (income)/expense	(625)	140
	<hr/>	<hr/>
Operating profit before changes in working capital	3,484,185	2,336,419
(Increase)/decrease in trade and other receivables	(266,084)	149
Increase in trade and other payables	28,739,377	8,977,840
	<hr/>	<hr/>
Net cash from operating activities	31,957,478	11,314,408
	<hr/>	<hr/>
Cash flow from investing activities		
Financial income	626	986
Payments to increase holdings in investments	(18,957,786)	(11,314,268)
	<hr/>	<hr/>
Net cash from investing activities	(18,957,160)	(11,313,282)
	<hr/>	<hr/>
Cash flow from financing activities		
Financial expense	(1)	(1,126)
Dividends paid	(13,000,000)	-
	<hr/>	<hr/>
Net cash from financing activities	(13,000,001)	(1,126)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	317	-
Cash and cash equivalents at 1 July	-	-
	<hr/>	<hr/>
Cash and cash equivalents at 30 June	317	-
	<hr/>	<hr/>

Notes to the financial statements

1 Accounting policies

Lend Lease Europe Retail Investments Limited is a company incorporated in the UK

The Company 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 and in preparing an opening IFRS balance sheet at 1 July 2005 for the purposes of the transition to Adopted IFRSs

Transition to Adopted IFRSs

The Company is preparing its financial statements in accordance with Adopted IFRS for the first time and consequently has applied IFRS 1. An explanation of how the transition to Adopted IFRSs has affected the reported financial position, financial performance and cash flows of the Company is provided in note 12

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Taxation

Tax on the profit for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised

Investments

Investments are stated at cost less provision for permanent diminution in value

Notes to the financial statements (continued)

1 Accounting policies (continued)

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.

Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and foreign exchange differences net of hedged amounts on borrowings. Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings.

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets that take more than six months to prepare for their intended use or sale. In these circumstances, borrowing costs are capitalised to the costs of the assets. Where funds are borrowed specifically for the acquisition or construction of a qualifying asset, the amount of borrowing costs capitalised are those incurred in relation to that borrowing. To the extent that funds are borrowed generally, the amount of borrowing costs capitalised is calculated by applying a capitalisation rate to the expenditures on that asset.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the Cash Flow Statement.

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.

2 Directors' remuneration and employees

The directors did not receive any emoluments in respect of their services to the company (2006 £nil).

The company did not employ any staff during the year (2006 nil).

The directors estimate the fee attributable to the company is £4,400 (2006 £4,200).

3 Auditors' remuneration

Auditors' remuneration in respect of audit and other fees was borne by Lend Lease Europe Limited, the immediate parent undertaking.

The directors estimate that the fee attributable to the company is £4,400 (2006 £4,200).

4 Finance expense

	2007 £	2006 £
Bank loans and overdrafts	1	1,126

Notes to the financial statements *(continued)*

5 Taxation

	2007 £	2006 £
Current tax		
UK corporation tax expense on profit/(loss) for the year at 30% (2006 30%)	1,182,133	1,016,227
Adjustments in respect of previous periods	-	-
	<hr/>	<hr/>
Total current tax	1,182,133	1,016,227
Deferred tax		
Origination and reversal of timing differences	304,559	-
Adjustment in respect of previous periods	8,900	-
Effect of change of rate	(24,764)	-
	<hr/>	<hr/>
Tax on profit/(loss) on ordinary activities	1,470,828	1,016,227
	<hr/>	<hr/>

Reconciliation of effective tax rate

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30% (2006 30%)

	2007 £	2006 £
Profit before tax	4,955,638	3,352,506
Tax using the UK corporation tax rate of 30% (2006 30%)	1,486,692	1,005,752
Adjustment in respect of previous periods	8,900	-
Effect of change of rate	(24,764)	-
	<hr/>	<hr/>
Total tax in income statement	1,470,828	1,016,227
	<hr/>	<hr/>

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.

On 26 June 2007 the UK government passed the 2008 Finance Act which will change the tax rate from 30% to 28% from 1 April 2008. Therefore deferred tax assets are recorded at the new rate of 28%.

Notes to the financial statements (continued)

6 Investments

Fixed asset investments	2007	2006
	£	£
Investment in Overgate GP Limited	4	4
Investment in Lend Lease Europe GP Limited	2	2
Participations in the Lend Lease Retail Partnership	200	200
Participations in the Lend Lease Overgate Partnership	137	137
Loan to the Lend Lease Retail Partnership	19,371,654	19,371,654
Loan to the Lend Lease Overgate Partnership	13,881,352	13,134,240
Investment in Warrington Retail Unit Trust	44,757,194	27,121,348
	<hr/>	<hr/>
	78,010,543	59,627,585
	<hr/>	<hr/>
 Current asset investments	 2007	 2006
	£	£
Participations in the Lend Lease Overgate Partnership	284	284
Loan to the Lend Lease Overgate Partnership	27,762,703	27,187,876
	<hr/>	<hr/>
	27,762,987	27,188,160
	<hr/>	<hr/>

The company subscribed £421 for a 30.7% participation in the Lend Lease Overgate Partnership. Of this amount, £137 (10% of the equity investment) is considered to be a long term investment in the Partnership. The remaining equity investment of £284 is being held by the company temporarily until such time as additional investors can be identified and consequently has been disclosed as a current asset investment.

In 2006 the company subscribed £4.21 for 'D' shares in Overgate GP Limited, the general partner of the Lend Lease Overgate Partnership. One of the conditions of acquiring the equity in the partnership is the provision of a loan facility of £42,100,000. As at 30 June 2007 £41,644,055 had been drawn down (2006 £40,322,116).

At 30 June 2007, the Overgate Shopping Centre in Dundee, Scotland (the primary asset within the Lend Lease Overgate Partnership) was valued by DTZ Debenham Tie Leung at £187.5 million (2006 £183.3 million).

At 30 June 2007 the company held £200 for a 3.95% (2006 3.95%) interest in the Lend Lease Retail Partnership. One of the conditions of acquiring the equity in the partnership is the provision of a loan facility of £20,000,000. As at 30 June 2007 £19,371,654 had been drawn down (2006 £19,371,654).

At 30 June 2007 the company held £2.00 (2006 £2.00) of 'D' shares in Lend Lease Europe GP Limited, the general partner of the Lend Lease Retail Partnership.

Notes to the financial statements (continued)

6 Investments (continued)

At 30 June 2007 the company held 38,299,558 (2006 27,712,652) units with a value of £44,440,681 (2006 £27,121,348), representing a 50% interest, in the Warrington Retail Unit Trust, which is the Limited Partner of the Warrington Retail Limited Partnership

The directors are satisfied that the investments are worth at least the amount at which they are included in the balance sheet

7 Trade and other payables

	2007 £	2006 £
Amounts owed to group undertakings	99,382,386	71,197,948
Other payables	159	-
	<u>99,382,545</u>	<u>71,197,948</u>

8 Deferred taxation

Deferred tax assets and liabilities are attributable to the following:

	Assets 2007 £	2006 £	Liabilities 2007 £	2006 £	Net 2007 £	2006 £
Property, plant and equipment	-	-	(612,779)	-	(612,779)	-
Partnership profits	266,084	-	-	(58,000)	266,084	(58,000)
	<u>266,084</u>	<u>-</u>	<u>(612,779)</u>	<u>(58,000)</u>	<u>(346,695)</u>	<u>(58,000)</u>
Net tax (assets) / liabilities	266,084	-	(612,779)	(58,000)	(346,695)	(58,000)

Movement in deferred tax during the year	Property, plant and equipment £	Partnership profits £	Total £
At 30 June 2006	-	(58,000)	(58,000)
Charged/(credited) to the income statement	(656,549)	351,990	(304,559)
Adjustments in respect of prior periods	-	(8,900)	(8,900)
Effect of change of rate	43,770	(19,006)	24,764
	<u>(612,779)</u>	<u>266,084</u>	<u>(346,695)</u>
As at 30 June 2007	(612,779)	266,084	(346,695)

Notes to the financial statements (continued)

9 Called up share capital

	2007 £	2006 £
Authorised		
30,000,000 Ordinary Shares of £1 each	30,000,000	30,000,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
1 Ordinary Share of £1	1	1
	<hr/>	<hr/>

10 Commitments

	2007 £	2006 £
Future loan advances		
Lend Lease Retail Partnership	628,346	628,346
Lend Lease Overgate Partnership	455,944	1,777,884
Future units to be issued		
Warrington Retail Unit Trust	-	11,253,748
	<hr/>	<hr/>

A commitment of £20,000,000 for future loan advances to the Lend Lease Retail Partnership was made as part of the investment of equity in the Partnership. As at 30 June 2007, £19,371,654 had been drawn down, therefore £628,346 may be required in future drawdowns.

A commitment of £42,100,000 for future loan advances to the Lend Lease Overgate Partnership was made as part of the investment of equity in the Partnership. As at 30 June 2007, £41,644,056 had been drawn down, therefore £455,944 may be required in future drawdowns.

When the initial investment of £24,975 was made in the Warrington Retail Unit Trust, a commitment of £38,350,121 for future units in the Warrington Retail Unit Trust was made as part of the equity investment. During 2007 this was increased to £43,096,374. As at 30 June 2007, units in the sum of £43,096,374 had been issued, therefore no further units are still committed to being paid in the future.

11 Financing Arrangements and Financial Instruments

Fair values of financial assets and liabilities – on balance sheet

There is no significant difference between the carrying value and fair value of the financial instruments.

Financial Instruments - 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.

Financial Instruments – Interest Rate Exposure

The Company's policy is to manage interest rate risk that impacts directly on the Group's assets and liabilities.

At 30 June 2007, it is estimated that an increase of one percentage point in interest rates would have an immaterial impact on the Company's profit before tax.

Notes to the financial statements (continued)

11 Financing Arrangements and Financial Instruments (continued)

Financial Instruments – Interest Rate Exposure (continued)

	Effective interest rate	Floating interest rate £	Non interest bearing £	Total £
As at 30 June 2007				
FINANCIAL ASSETS				
Cash	4% - 5%	317	-	317
		<u>317</u>	<u>-</u>	<u>317</u>
FINANCIAL LIABILITIES				
Other payables		-	159	159
Related Party Creditors				
Amounts owed to Lend Lease Europe Limited		-	99,382,386	99,382,386
		<u>-</u>	<u>99,382,545</u>	<u>99,382,545</u>
As at 30 June 2006				
FINANCIAL ASSETS				
Cash	3% - 4%	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
FINANCIAL LIABILITIES				
Other payables		-	-	-
Related Party Creditors				
Amounts owed to Lend Lease Europe Limited		-	71,197,948	71,197,948
		<u>-</u>	<u>71,197,948</u>	<u>71,197,948</u>

Notes to the financial statements *(continued)*

12 Transition to IFRS

As stated in note 1, these are the Company's first financial statements prepared in accordance with Adopted IFRSs

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 June 2007, the comparative information presented in these financial statements for the year ended 30 June 2006 and in the preparation of an opening IFRS balance sheet at 1 July 2005 (the Company's date of transition)

Presentation of financial statements

The primary statements within the financial information contained in this document have been presented substantially in accordance with IAS 1 "Presentation of Financial Statements" However, this format and presentation may require modification in the event that further guidance is issued and as practice develops

Notes to the financial statements (continued)

12 Transition to IFRS (continued)

Reconciliation of equity

	Note	UK GAAP	1 July 2005 Effect of transition to IFRS	IFRS	UK GAAP	30 June 2006 Effect of transition to IFRS	IFRS
		£	£	£	£	£	£
Non current assets							
Investments		48,313,317	-	48,313,317	59,627,585	-	59,627,585
Current assets							
Investments		27,188,160	-	27,188,160	27,188,160	-	27,188,160
Trade and other receivables		149	-	149	-	-	-
		<u>27,188,309</u>	<u>-</u>	<u>27,188,309</u>	<u>27,188,160</u>	<u>-</u>	<u>27,188,160</u>
Total assets		<u>75,501,626</u>	<u>-</u>	<u>75,501,626</u>	<u>86,815,745</u>	<u>-</u>	<u>86,815,745</u>
Current liability							
Trade and other payable		(62,220,108)	-	(62,220,108)	(71,197,948)	-	(71,197,948)
Non current liabilities							
Deferred tax	a)	-	(58,000)	(58,000)	-	(58,000)	(58,000)
Total liabilities		<u>(62,220,108)</u>	<u>(58,000)</u>	<u>(62,278,108)</u>	<u>(71,197,948)</u>	<u>(58,000)</u>	<u>(71,255,948)</u>
Net assets		<u>13,281,518</u>	<u>(58,000)</u>	<u>13,223,518</u>	<u>15,617,797</u>	<u>(58,000)</u>	<u>15,559,797</u>
Capital and reserves							
Called up share capital		1	-	1	1	-	1
Profit and loss account	a)	13,281,517	(58,000)	13,223,517	15,617,796	(58,000)	15,559,796
Equity shareholders' funds		<u>13,281,518</u>	<u>(58,000)</u>	<u>13,223,518</u>	<u>15,617,797</u>	<u>(58,000)</u>	<u>15,559,797</u>

Notes to the reconciliation of equity

a) The reconciling item reflects the recognition of a deferred tax liability on the timing of distributions from investments in partnerships

Notes to the financial statements (continued)

13 Related Party Disclosures

At the year end the Company owed £99,382,386 (2006 £71,197,948) to Lend Lease Europe Limited, its immediate parent company

14 Subsequent events

There have been no significant post balance sheet events

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

The company is a subsidiary undertaking of Lend Lease Europe Limited, which is registered in England and Wales. Its ultimate parent undertaking is Lend Lease Corporation Limited, which is incorporated in Australia.

The largest group in which the results of the company are consolidated is that headed by Lend Lease Corporation Limited. The consolidated financial statements of that group may be obtained from the group's website at www.lendlease.com.au

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

16 New Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the financial year ended 30 June 2007 but are available for early adoption. The company has not applied the following standards in preparing this financial report. The company's assessment of these new standards and interpretations are set out below:

- IFRS 7 'Financial Instruments: Disclosures' and the complementary amendment to IAS 1 'Presentation of financial statements – Capital disclosures' are applicable to annual reporting periods beginning on or after 1 January 2007. Application of these standards will not affect any of the recognised in the financial statements but will impact the type of information disclosed, particularly in relation to the Company's financial instruments.
- IFRS 8 'Operating segments' is applicable to annual reporting periods beginning on or after 1 January 2009. These standards replace the presentation requirements of segment reporting in IAS 14 'Segment reporting'. The standards are only concerned with disclosure information and application will not affect the financial results of the Company.

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2006 but they are not relevant to the company's operations:

- IAS 21 (Amendment) Net investment in foreign operation
- IAS 39 (Amendment) Cash flow hedge accounting of forecast intragroup transactions
- IAS 39 (Amendment) The fair value option
- IAS 39 and IFRS 4 (Amendment), Financial guarantee contracts
- IFRS 6, Exploration for and evaluation of mineral resources,
- IFRIC 4 determining whether an arrangement contains a lease
- IFRIC 5 Rights to interest arising from decommissioning, restoration and environmental rehabilitation funds, and
- IFRIC 6, Liabilities arising from participating in a specific market- Waste electrical and electronic equipment