

# **Lend Lease Europe Retail Investments Limited**

**Strategic report, Directors' report and  
Financial statements**

**30 June 2014**

**Registered number 3635554**

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## **Strategic Report, Directors' report and financial statements**

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## Strategic report

### Principal activities

The principal activity of Lend Lease Europe Retail Investments Limited (the Company) is to hold investments.

The Company is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is 20 Triton Street, Regent's Place, London, NW1 3BF.

These financial statements were authorised for issue by the Board of Directors on 18th November 2014.

### Business review

During the year, the Warrington Retail Unit Trust, of which the Company holds a 50% investment, sold its sole property asset. In 2009, the carrying value of the investment was written down to nil. As at 30 June 2014, the Company wrote back £1.8 million of the provision for the Sponsors Bond which it expected to receive following the sale.

As a result of the increased December 2013 performance fee for the Lend Lease Retail Partnership, the Company were issued 10 participations this year worth a total value of £1.4 million.

### Principal risks and uncertainties facing the business

The Company takes a prudent approach to risk; risk management is embedded in the organisation, with different types of risk requiring different levels and types of management response.

The main risk factors influencing the business are macroeconomic, particularly in relation to interest rate exposure. Please refer to Note 14 for further details.

### Health & safety

Health & safety is of paramount importance to the Company; our vision is to operate incident and injury free. We are committed to realising this wherever we have a presence.

### Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Company's activities. Initiatives designed to minimise the Company's impact on the environment include safe disposal of manufacturing waste and recycling.

### Policy and practice on payment of trade payables

The Company seeks to agree terms with its suppliers when it commits to expenditure and seeks to adhere to them provided goods are supplied in accordance with agreed terms and conditions. At the year end the company had no external trade payables.



N M Johnson

Director

20 Triton Street  
Regent's Place, London  
NW1 3BF

18 November 2014

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2014.

### Results and dividends

The profit for the year after taxation amounted to £3,446,244 (2013: loss of £1,460,193). The directors do not recommend the payment of a dividend (2013: £nil).

### Directors

The directors who held office during the year were as follows:

G Scott (resigned 31 December 2013)

N M Johnson (appointed 30 October 2013)

Subsequent to year end, the following changes in directorships occurred:

M Boor (resigned 9 July 2014)

R Boswell (appointed 1 July 2014)

### Statement as to disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

### Political and charitable contributions

The company made no political or charitable contributions during the year (2013: £nil).

By order of the board



N M Johnson  
Director  
20 Triton Street  
Regents Place, London  
NW1 3BF

18 November 2014

## **Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements**

The directors are responsible for preparing the Strategic Report, 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 Europe Retail Investments Limited**

We have audited the financial statements of Lend Lease Europe Retail Investments Limited for the year ended 30 June 2014 set out on pages 5 to 12. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 Financial Reporting Council's web-site at [www.frc.org.uk/audit/scopaukprivate](http://www.frc.org.uk/audit/scopaukprivate).

### **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 2014 and of its profit 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 Strategic report, the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



William Meredith  
(Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square, London, E14 5GL  
8 November 2014

**Statement of comprehensive income  
for the year ended 30 June 2014**

	Note	2014 £	2013 £
Revenue		2,445,063	1,204,490
Cost of sales			
Gross profit		<u>2,445,063</u>	<u>1,204,490</u>
Reversal of provision	7	1,800,000	-
Administrative expenses		<u>(398,774)</u>	<u>(28,383)</u>
Operating profit		<u>3,846,289</u>	<u>1,176,107</u>
Financial income	4	190,107	54,451
Financial expense	5	<u>(849,577)</u>	<u>(662,112)</u>
Profit on ordinary activities before taxation		<u>3,186,819</u>	<u>568,446</u>
Tax credit / (expense) on profit on ordinary activities	6	259,425	(2,028,639)
Profit/(loss) on ordinary activities after taxation		<u>3,446,244</u>	<u>(1,460,193)</u>
Profit/(loss) for the year and Total comprehensive income		<u>3,446,244</u>	<u>(1,460,193)</u>

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.

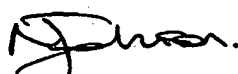
The notes to and forming part of these financial statements are set out on pages 9 to 12.

**Statement of financial position  
as at 30 June 2014**

	Note	2014 £	2013 £
<b>Non current assets</b>			
Investments	8	22,582,565	21,082,398
Deferred tax asset	9	729,809	1,534,457
		<u>23,292,374</u>	<u>22,616,855</u>
<b>Current assets</b>			
Cash		3,166,600	2,639,450
Trade and other receivables	7	1,800,000	-
		<u>4,966,600</u>	<u>2,639,450</u>
<b>Total assets</b>		<u>28,258,974</u>	<u>25,256,305</u>
<b>Current liabilities</b>			
Trade and other payables	10	(30,754,765)	(29,971,746)
<b>Non current liabilities</b>			
Deferred tax liabilities	9	-	(1,226,594)
<b>Total liabilities</b>		<u>(30,754,765)</u>	<u>(31,198,340)</u>
<b>Net liabilities</b>		<u>(2,495,791)</u>	<u>(5,942,035)</u>
<b>Capital and reserves</b>			
Called up share capital	11	50,000,001	50,000,001
Retained earnings		(52,495,792)	(55,942,036)
<b>Total equity</b>		<u>(2,495,791)</u>	<u>(5,942,035)</u>

The notes to and forming part of these financial statements are set out on pages 9 to 12.

These statements were approved by the board of directors on 18 November 2014 and were signed on its behalf by:

  
N M Johnson  
Director



**Statement of changes in shareholders' equity  
 for the year ended 30 June 2014**

	Attributable to shareholders		
	Share capital £	Retained earnings £	Total equity £
Balance at 1 July 2012	50,000,001	(54,481,843)	(4,481,842)
Retained loss for the year	-	(1,460,193)	(1,460,193)
Balance at 30 June 2013	<u>50,000,001</u>	<u>(55,942,036)</u>	<u>(5,942,035)</u>
Balance at 1 July 2013	50,000,001	(55,942,036)	(5,942,035)
Retained profit for the year	-	3,446,244	3,446,244
Balance at 30 June 2014	<u>50,000,001</u>	<u>(52,495,792)</u>	<u>(2,495,791)</u>

The notes to and forming part of these financial statements are set out on pages 9 to 12.

**Statement of cash flows**  
**for the year ended 30 June 2014**

	2014 £	2013 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the year	3,446,244	(1,460,193)
<i>Adjustments for:</i>		
Non-cash element increase in investment holdings	(1,480,167)	-
Taxation received/ (paid)	(259,425)	2,028,639
Finance income	(190,107)	(54,451)
Finance expense	849,577	662,112
<b>Operating profit before changes in working capital</b>	<b>2,366,122</b>	<b>1,176,107</b>
(Increase)/ decrease trade and other receivables	(995,352)	1,940,488
(Decrease)/ increase in trade and other payables	(443,575)	1,011,860
Tax received/ (paid)	259,425	(2,028,639)
<b>Net cash from operating activities</b>	<b>1,186,620</b>	<b>2,099,816</b>
<b>Cash flow from financing activities</b>		
Interest paid	(849,577)	(662,112)
<b>Net cash from financing activities</b>	<b>(849,577)</b>	<b>(662,112)</b>
<b>Cash flow from investing activities</b>		
Interest received	190,107	54,451
<b>Net cash from investing activities</b>	<b>190,107</b>	<b>54,451</b>
<b>Increase in cash and cash equivalents</b>	<b>527,150</b>	<b>1,492,155</b>
Cash and cash equivalents at 1 July	2,639,450	1,147,295
<b>Cash and cash equivalents at 30 June</b>	<b>3,166,600</b>	<b>2,639,450</b>

The notes to and forming part of these financial statements are set out on pages 9 to 12.

## Notes to the financial statements

### 1 Accounting policies

#### Basis of Preparation

Lend Lease Europe Retail Investments Limited (the "Company") is a company incorporated in the UK. These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRIC interpretations as adopted by the European Union ("Adopted IFRSs") and with those parts of the Companies Act 2006, applicable to those companies reporting under IFRS. The financial statements have been prepared under the historic cost convention.

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 dependent 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.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result in the basis of preparation being inappropriate.

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

#### Revenue

Revenue is stated net of value added tax and is derived from distributions and performance fees from the Lend Lease Retail Partnership and the Lend Lease Overgate Partnership.

#### Investments

Investments are stated at cost with adjustments made to the carrying value to reflect not realisable amounts where these are lower than cost. Management conducts impairment reviews annually.

#### 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.

#### Net Gains or Losses on Sale of Investments

Net gains or losses on sale of investments are recognised when an unconditional contract is in place.

#### Trade and other receivables

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

#### 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 or loss differs from net profit or loss 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 or losses 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.

#### 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.

#### Key estimates and judgements

These accounts are prepared under IFRSs as adopted by the EU. The choice of accounting policies involves, in some cases, management evaluating and choosing the policy that gives the most true and fair view. The most relevant to the company is in relation to provision for doubtful debt.

#### New standards and interpretations not yet adopted

The following Adopted IFRS have been issued but have not been applied in these financial statements. The effect of these Adopted IFRS on these financial statements have not yet been determined:

- IFRS 10 Consolidated Financial Statements and IAS 27 (2011) Separate Financial Statements (mandatory for year commencing on or after 1 January 2014).
- IFRS 11 Joint Arrangements and Amendments to IAS 28 (2008) Investments in Associated and Joint Ventures (mandatory for year commencing on or after 1 January 2014).
- IFRS 12 Disclosure of Interests in Other Entities (mandatory for year commencing on or after 1 January 2014).
- Amendments to IAS 32 'Offsetting Financial Assets and Financial Liabilities' (mandatory for year commencing on or after 1 January 2014).
- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) (mandatory for year commencing on or after 1 January 2014).
- Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12) (mandatory for year commencing on or after 1 January 2014).

### 2 Directors' remuneration and employees

The directors did not receive any emoluments in respect of their services to the company (2013: £nil). The company did not employ any staff during the year (2013: 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 £8,665 (2013: £5,421).

### 4 Financial income

	2014	2013
	£	£
Interest income on amounts due from Warrington Retail Limited Partnership	170,000	41,425
Other Bank Interest	20,107	13,028
	<u>190,107</u>	<u>54,451</u>

Notes to the financial statements (continued)

<b>5 Financial expense</b>	<b>2014</b>	<b>2013</b>
	£	£
Interest expense on amounts owed to Lend Lease Europe Limited	849,577	662,112

**6 Taxation**

(a) Recognised in the income statement

	<b>2014</b>	<b>2013</b>
	£	£
<b>Current tax:</b>		
United Kingdom corporation tax	312,034	149,513
United Kingdom prior year corporation tax adjustment	(149,513)	-
<b>Total current tax</b>	<b>162,521</b>	<b>149,513</b>
<b>Deferred tax:</b>		
Adjustments in respect of previous periods	(491,452)	1,846,306
Effect of future change in UK tax rate	69,508	32,820
<b>Total deferred tax</b>	<b>(421,944)</b>	<b>1,879,126</b>
<b>Tax (credit)/charge on ordinary activities</b>	<b>(259,423)</b>	<b>2,028,639</b>

(b) Factors affecting the current (credit)/charge for the year

The tax assessed differs from the application of the standard rate of corporation tax in the UK 2014: 22.5% (2013: 23.75%) to the company's accounting profit before taxation for the following reasons:

	<b>2014</b>	<b>2013</b>
	£	£
<b>Profit on ordinary activities before tax</b>	<b>3,186,819</b>	<b>568,448</b>
<b>Tax using the UK corporation tax rate of 22.50% (2013: 23.75%)</b>	<b>717,034</b>	<b>135,008</b>
<b>Effects of:</b>		
Non-deductible expenses	(405,000)	-
Adjustments in respect of previous periods	(840,965)	1,860,813
Permanent difference on change in tax rate	69,508	32,820
<b>Total tax in income statement</b>	<b>(259,423)</b>	<b>2,028,639</b>

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 30 June 2014 has been calculated based on the rates of 20% and 21% substantively enacted at 30 June 2014.

**7 Trade and other receivables**

	<b>2014</b>	<b>2013</b>
Accrued income	1,800,000	-

All receivables fall due within one year (2013: nil).

During the year, the Warrington Retail Unit Trust, of which the Company holds a 50% investment, sold its sole property asset. In 2009, the carrying value of the investment was written down to nil. As at 30 June 2014, the Company subsequently wrote back £1.8 million of the provision on the Sponsors Bond. The £1.8 million was received on 1 August 2014.

**8 Investments**

<b>Non-current investments</b>	<b>2014</b>	<b>2013</b>
<b>At cost</b>	<b>£</b>	<b>£</b>
Investment in Lend Lease Communities Limited	1	1
Investment in Overgate GP Limited	-	-
Investment in Lend Lease Europe GP Limited	2	2
Participation in the Lend Lease Retail Partnership	219	209
Participation premium in the Lend Lease Retail Partnership	663,239	213,703
Loan and investment in the Lend Lease Retail Partnership	21,899,104	20,868,483
<b>At end of year</b>	<b>22,562,565</b>	<b>21,082,398</b>

**Total net book value of non-current investments** 22,562,565 21,082,398

**Total net book value of investments** 22,562,565 21,082,398

At 30 June 2014 the company held £219 for 4.31% (2013: 4.11%) interest in the Lend Lease Retail Partnership. As part of the December 2013 Lend Lease Retail Partnership performance fee, the company was allotted an additional 10 participations worth a total value of £1.443 million split between participation premium of £449,536 and loan advances of £993,541.

At 30 June 2014 the company held £2 (2013: £2) of 'D' shares in Lend Lease Europe GP Limited, the general partner of the Lend Lease Retail Partnership.

Notes to the financial statements (continued)

9 Deferred taxation

Recognised deferred tax assets / (liabilities)

Deferred tax assets / (liabilities) are attributable to the following:

	Assets		Liabilities		Net	
	2014	2013	2014	2013	2014	2013
	£	£	£	£	£	£
Property, plant and equipment	-	-	-	(1,222,254)	-	(1,222,254)
Partnership profits	-	-	-	(4,340)	-	(4,340)
Tax value of loss carry forwards utilised	729,809	1,534,457	-	-	729,809	1,534,457
Net tax assets / (liabilities)	<u>729,809</u>	<u>1,534,457</u>	<u>-</u>	<u>(1,226,594)</u>	<u>729,809</u>	<u>307,863</u>

The net deferred tax asset of £729,809 is deemed to be recoverable based on forecasted future income.

Movement in deferred tax during the year

	1 July 2013	Recognised in profit and loss	Rate change	30 June 2014
	£	£	£	£
Property, plant and equipment	(1,222,254)	1,222,254	-	-
Partnership profits	(4,340)	4,340	-	-
Tax value of loss carry forwards utilised	<u>1,534,457</u>	<u>(735,142)</u>	<u>(69,508)</u>	<u>729,809</u>
	<u>307,863</u>	<u>491,452</u>	<u>(69,508)</u>	<u>729,809</u>

Movement in deferred tax during the prior year

	1 July 2012	Recognised in profit and loss	Rate change	30 June 2013
	£	£	£	£
Property, plant and equipment	(1,275,396)	-	53,142	(1,222,254)
Partnership profits	(19,188)	14,507	341	(4,340)
Tax value of loss carry forwards utilised	<u>3,481,573</u>	<u>(1,860,813)</u>	<u>(86,303)</u>	<u>1,534,457</u>
	<u>2,186,989</u>	<u>(1,846,306)</u>	<u>(32,820)</u>	<u>307,863</u>

10 Trade & other payables

	2014	2013
	£	£
Amounts owed to Lend Lease Europe Limited	30,527,289	29,971,536
Accruals and deferred income	<u>227,476</u>	<u>210</u>
	<u>30,754,765</u>	<u>29,971,746</u>

11 Called up share capital

	2014	2013
	£	£
Allotted, called up and fully paid	50,000,001	50,000,001
Ordinary shares of £1 each		

12 Subsequent events

There have been no significant post balance sheet events.

13 Related Party Disclosures

At the year end the Company owed £30,527,289 (2013: £29,971,536) to Lend Lease Europe Limited, its immediate parent company. During the year the company recognised interest expense of £849,577 (2013: £662,112) on this balance. The interest was charged at LIBOR plus 2.45%. The company was also charged a management fee of £204,167 (2013: £2,516) by Lend Lease Europe Limited for management services provided during the year.

#### 14 Financial Risk Management

##### Introduction and overview

The company has exposure to the following risks:

- Credit risk
- Operational risks
- Interest rate risks

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

##### a) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The Company is compliant with the Lend Lease Consolidated Group's framework for risk management including credit risk. There are no significant concentrations of external credit risk with the Company's exposure to only Lend Lease Consolidated Group related parties.

##### b) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology and infrastructure and from external factors other than credit risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the company's reputation with overall cost effectiveness.

##### c) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument or cash flow associated with the instrument will fluctuate due to changes in the market interest rates. The Company's policy is to manage interest rate risk that impacts directly on the Company's assets and liabilities. The Company's exposure to interest rate risk is limited to movements in intra-group lending rates.

##### Sensitivity Analysis

At 30 June 2014, it is estimated that an increase of one percentage point in interest rates would have decreased the Company's profit before tax by approximately £289,627 (2013: decreased profit by £274,728).

Compliance with the company's standards is supported by a programme of periodic reviews which are discussed at Board level.

#### 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](http://www.lendlease.com.au).

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