

Company registration number: 03635554

# Lendlease Europe Retail Investments Limited

Annual Report and Financial Statements

for the year ended 30 June 2023



# **Lendlease Europe Retail Investments Limited**

## **Contents**

<b>Directors' Report</b>	<b>1 to 2</b>
<b>Statement of Directors' Responsibilities</b>	<b>3</b>
<b>Independent Auditor's Report to the Members of Lendlease Europe Retail Investments Limited</b>	<b>4 to 8</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>	<b>9</b>
<b>Statement of Financial Position</b>	<b>10</b>
<b>Statement of Changes in Equity</b>	<b>11</b>
<b>Notes to the Financial Statements</b>	<b>12 to 23</b>

**Lendlease Europe Retail Investments Limited**  
**Directors' Report for the Year Ended 30 June 2023**

The directors of Lendlease Europe Retail Investments Limited present their report for the financial year ended 30 June 2023.

**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:

J Park (appointed 28 June 2023)

G Willetts

**Results**

The Company's profit after tax for the year was £0.1m (2022: £0.1m).

**Dividends**

The directors do not recommend the payment of a dividend (2022: £nil).

**Political donations**

The Company made no political donations or incurred any political expenditure during the year (2022: £nil).

**Outlook**

With the support of the Lendlease Europe Holdings Limited (the consolidated group), the Company is monitoring the impacts of the Russia-Ukraine war which began in February 2022, including the potential longer-term impacts on broader financial markets. The consolidated group does not have a business presence in either country.

Heightened geopolitical tensions are impacting the global economy, creating volatility across the global markets, reflected most notably in higher energy prices and rising inflation. The consolidated group will continue to actively monitor the global political and economic risk date to support the business and the Board in understanding the potential landscape, ensuring resilience framework is up to exposures and mitigation strategies.

The company will continue to perform principal activities as described in Note 1.

**Events after the balance sheet date**

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

**Lendlease Europe Retail Investments Limited**

**Directors' Report for the Year Ended 30 June 2023 (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 25/03/24 and signed on its behalf by:



.....  
G Willetts  
Director

## **Lendlease Europe Retail Investments 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 they 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent Auditor's Report to the Directors of Lendlease Europe Retail Investments Limited**

### **Opinion**

We have audited the financial statements of Lendlease Europe Retail Investments Limited ("the Company") for the year ended 30 June 2023 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 2023 and of its loss 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 Group or the Company or to cease their operations, and as they have concluded that the Group and 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 their 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").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

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 above conclusions are not a guarantee that the Group or the Company will continue in operation.

## **Independent Auditor's Report to the Directors of Lendlease Europe Retail Investments Limited (continued)**

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, internal audit and inspection of policy documentation as to the Company’s high-level policies and procedures to prevent and detect fraud, including the internal Audit function, and the Company’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit we do not believe there is a fraud risk related to revenue recognition because the entity does not generate any revenue.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.

#### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the members and other management (as required by auditing standards), and discussed with the members and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

## **Independent Auditor's Report to the Directors of Lendlease Europe Retail Investments Limited (continued)**

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law and certain aspects of company legislation recognising the nature of the company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the members and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

### **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 Directors of Lendlease Europe Retail Investments 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; or
- 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 their 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; 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; 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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).

## **Independent Auditor's Report to the Directors of Lendlease Europe Retail Investments 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.



.....  
**Malcolm Footer (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
15 Canada Square  
London  
United Kingdom  
E14 5GL

Date: 25 March 2024.

**Lendlease Europe Retail Investments Limited**

**Statement of Profit or Loss and Other Comprehensive Income  
For the year ended 30 June 2023**

	<b>Note</b>	<b>2023 £</b>	<b>2022 £</b>
Revenue		-	-
<b>Results from operating activities</b>		-	-
Finance income	4	96,814	79,750
Finance costs	4	(480)	(514)
<b>Net finance income</b>		<b>96,334</b>	<b>79,236</b>
<b>Profit before tax</b>		<b>96,334</b>	<b>79,236</b>
Income tax (expense)/credit	8	15,055	(1,100)
<b>Profit after tax</b>		<b>111,389</b>	<b>78,136</b>
<b>Total comprehensive income after tax</b>		<b>111,389</b>	<b>78,136</b>

The above results were derived from continuing operations.

The notes to and forming part of these financial statements are set out on pages 12 to 23.

# Lendlease Europe Retail Investments Limited

## Statement of Financial Position as at 30 June 2023

	Note	30 June 2023 £	30 June 2022 £
<b>Non current assets</b>			
Investments	10	2	2
<b>Total non current assets</b>		<b>2</b>	<b>2</b>
<b>Current assets</b>			
Cash and cash equivalents	9	2,824,278	2,824,758
Trade and other receivables	11	3,413,279	3,316,465
<b>Total current assets</b>		<b>6,237,557</b>	<b>6,141,223</b>
<b>Total assets</b>		<b>6,237,559</b>	<b>6,141,225</b>
<b>Current liabilities</b>			
Current tax payable		-	(15,055)
<b>Total current liabilities</b>		<b>-</b>	<b>(15,055)</b>
<b>Net assets</b>		<b>6,237,559</b>	<b>6,126,170</b>
<b>Equity</b>			
Issued capital	12	50,000,001	50,000,001
Retained earnings		(43,762,442)	(43,873,831)
<b>Total equity</b>		<b>6,237,559</b>	<b>6,126,170</b>

The notes to and forming part of these financial statements are set out on pages 12 to 23.

These statements were approved by the Board on 25/03/24 and were signed on its behalf by:

.....   
G Willetts

Director

Company Registration Number: 03635554

## Lendlease Europe Retail Investments Limited

### Statement of Changes in Equity for the year ended 30 June 2023

	Share capital £	Retained earnings £	Total £
At 1 July 2022	50,000,001	(43,873,831)	6,126,170
<b>Total comprehensive income</b>			
Profit for the year	-	111,389	111,389
<b>Total comprehensive income</b>	-	111,389	111,389
At 30 June 2023	<u>50,000,001</u>	<u>(43,762,442)</u>	<u>6,237,559</u>

The notes to and forming part of these financial statements are set out on pages 12 to 23.

	Share capital £	Retained earnings £	Total £
At 30 June 2021	50,000,001	(43,951,967)	6,048,034
<b>Total comprehensive income</b>			
Profit for the year	-	78,136	78,136
<b>Total comprehensive income</b>	-	78,136	78,136
At 30 June 2022	<u>50,000,001</u>	<u>(43,873,831)</u>	<u>6,126,170</u>

## **Lendlease Europe Retail Investments Limited**

### **Notes to the Financial Statements for the year ended 30 June 2023**

#### **1 General information**

Lendlease Europe Retail Investments Limited (the "Company") is a private company limited by share capital incorporated and domiciled in United Kingdom. The company registration number is 03635554.

The address of its registered office is:

5 Merchant Square

Level 9

London

W2 1BQ

United Kingdom

#### **Principal activity**

The principal activity is to hold investments.

The Company holds a 4.31% legal interest in Lendlease Retail LP. The fund was dissolved on 23 November 2022 and will be wound up by the Liquidating Trustee, Lendlease Real Estate Investments (Europe) Limited, as soon as reasonably practical. The Company is pursuing future investment opportunities and will be considered as potential investor in the Lendlease Europe pipeline.

#### **2 Basis of preparation**

##### **Basis of preparation**

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("UK-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."

## **Lendlease Europe Retail Investments Limited**

### **Notes to the Financial Statements for the year ended 30 June 2023 (continued)**

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

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.
- IFRS 5: Disclosures required for Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations.

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:

IFRS 2 Share Based Payments in respect of group settled share based payments;  
Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;  
Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company; and  
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 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.

#### **Impact of new and revised accounting standards**

##### **New and Revised Accounting Standards Adopted 1 July 2022**

The following accounting standards, interpretations and amendments have been adopted by the Company in the year ended 30 June 23:

Amendments to the following standards:

- IAS 37: Onerous Contracts-Cost of Fulfilling a Contract (effective date 1 January 2022)
- Amendments to References to the Conceptual Framework in IFRS 3 (effective date 1 January 2022)
- IAS 16: Property, Plant and Equipment-Proceeds before Intended Use (effective date 1 January 2022)
- Annual Improvements to IFRS Standards 2018-2022 (effective date 1 January 2022)

These amended standards did not have a material effect on the Company.

## **Lendlease Europe Retail Investments Limited**

### **Notes to the Financial Statements for the year ended 30 June 2023 (continued)**

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

##### **New Accounting Standards and Interpretations Not Yet Adopted**

The following UK-adopted IFRSs have been issued but have not been applied in these financial statements at 30 June 2023. Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated:

- IFRS 17 Insurance Contracts (effective date 1 January 2023)

Amendments to the following standards:

- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective date 1 January 2024)
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to introduce a new definition for accounting estimates (effective date 1 January 2023)
- IAS 12 Income Taxes - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (effective date 1 January 2023)
- IAS 1 Presentation of Financial Statements and IFRS Practice Statements 2 Making Materiality Judgements (effective date 1 January 2023)
- IFRS 16 - Leases on sale and leaseback (effective date 1 January 2024)
- IAS 1 - Non-current liabilities with covenants (effective date 1 January 2024)
- IAS 7 and IFRS 7 on Supplier finance arrangements (effective date 1 January 2024)

The Directors do not expect the standards above to have a material effect. The Company has chosen not to adopt any of the above standards and interpretations earlier than required



## **Lendlease Europe Retail Investments Limited**

### **Notes to the Financial Statements for the year ended 30 June 2023 (continued)**

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

##### **Going concern**

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate. The directors have considered the cash requirements of the Company for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, that the Company is dependent for its working capital on funds provided to it by Lendlease Europe Holdings Limited "LLEH" the Company's ultimate UK parent entity.

LLEH has indicated its intention to continue to make available financial support for at least twelve months from the signing date of these financial statements, or earlier, to such period when either LLEH or the Company ceases to be part of the group headed by LLEH, to enable the Company to trade, and not to call for settlement of amounts owing to LLEH where to do so would place the Company in an insolvent position. LLEH itself has been provided with a letter of support from Lendlease International Pty Limited which accepts responsibility of providing and undertakes to provide, sufficient financial assistance to LLEH, as and when it is required, to enable LLEH to continue its operations and fulfil all of its financial obligations. This support covers a period of at least 12 months from the date of approval of these financial statements. As with any company placing reliance on other group entities for financial support, the directors of the Company 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.

The Directors have considered the liquidity of the Company going forward, in particular adverse effects due to the ongoing Russian-Ukraine War, higher energy prices and rising inflation and have deemed that due to the support available from Group undertakings, they believe that the Company is well placed to manage its financing and future commitments over a period of at least 12 months from the date of the financial statements.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.'

##### **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 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. Finance costs are expensed immediately as incurred unless they relate to acquisition and development of qualifying assets.

## **Lendlease Europe Retail Investments Limited**

### **Notes to the Financial Statements for the year ended 30 June 2023 (continued)**

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

##### **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 directly in equity, in which case it is recognised in equity.

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.

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.

##### **Investments**

Equity investments in subsidiary and associated undertakings are stated at cost less impairment. Adjustments are made to the carrying value to reflect the net realisable value of the investment where these are lower than cost. Management conducts impairment reviews annually.

##### **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.

## Lendlease Europe Retail Investments Limited

### Notes to the Financial Statements for the year ended 30 June 2023 (continued)

#### 3 Accounting policies (continued)

##### Trade 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.

##### 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.

Interest receivable and interest payable is recognised in the Statement of Profit or Loss and Other Comprehensive Income as it accrues, using the effective interest method.

#### 4 Finance income and costs

	2023 £	2022 £
<b>Finance income</b>		
Interest receivable from related parties	96,814	79,750
<b>Finance costs</b>		
Other finance costs	(480)	(514)
Net finance income	<u>96,334</u>	<u>79,236</u>

## **Lendlease Europe Retail Investments Limited**

### **Notes to the Financial Statements for the year ended 30 June 2023 (continued)**

#### **4 Finance income and costs (continued)**

The weighted average interest rate used to determine the amount of interest finance costs was 4.85% for the 6 months to 31 December 2022 and 6.14% for the 6 months to 30 June 2023 (2022: 4.07% for the 6 months to 31 December 2021 and 4.17% for the 6 months to 30 June 2022), which is the effective interest rate.

#### **5 Staff costs**

The Company had no employees throughout the year (2022: 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.

#### **7 Auditor's remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Audit of financial statements	<u>(2,698)</u>	<u>(5,237)</u>

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

## Lendlease Europe Retail Investments Limited

### Notes to the Financial Statements for the year ended 30 June 2023 (continued)

#### 8 Taxation

Tax credited/(expensed) in the Statement of Profit or Loss

	2023 £	2022 £
<b>Current tax</b>		
Tax on profit at standard UK tax rate of 20.5% (2022: 19%)	-	(15,055)
Adjustments in respect of prior years	15,055	13,955
<b>Total current tax</b>	<b>15,055</b>	<b>(1,100)</b>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Total income tax credit/(expense)</b>	<b>15,055</b>	<b>(1,100)</b>

The credit/(expense) for the year can be reconciled to the result per the statement of profit or loss as follows:

	2023 £	2022 £
Profit before tax	96,334	79,236
Tax on profit at standard UK tax rate of 20.5% (2022: 19%)	(19,745)	(15,055)
Adjustments in respect of prior years	15,055	13,955
Effects of group relief / other reliefs	19,745	-
<b>Total income tax credit/(expense)</b>	<b>15,055</b>	<b>(1,100)</b>

Budget 2021 announced an increase to the main rate of UK corporation tax from 19% to 25%. This was substantively enacted on 24 May 2021 and was effective from 1 April 2023.

#### Residential Property Developer Tax (RPDT)

The Residential Property Developer Tax (RPDT), introduced by Finance Act 2022, applies from 1 April 2022 at a rate of 4% to profits arising from residential property developer activities, in excess of an annual £25 million group allowance. The company, as a member of a Group participating in residential property developer activities, anticipates no charge in relation to RPDT for the period ending 30 June 2023 (2022: nil).

## Lendlease Europe Retail Investments Limited

### Notes to the Financial Statements for the year ended 30 June 2023 (continued)

#### 9 Cash and cash equivalents

	30 June 2023 £	30 June 2022 £
Cash at bank	<u>2,824,278</u>	<u>2,824,758</u>
Cash and cash equivalents	<u><u>2,824,278</u></u>	<u><u>2,824,758</u></u>

#### 10 Investments

	2023 £	2022 £
Other investments	<u>2</u>	<u>2</u>
Total investments	<u><u>2</u></u>	<u><u>2</u></u>

#### Reconciliation of other investments

	2023 £	2022 £
Carrying amount at beginning of year	<u>2</u>	<u>2</u>
Carrying amount at end of year	<u><u>2</u></u>	<u><u>2</u></u>
Other investments cost	<u>2</u>	<u>2</u>
Carrying amount at end of year	<u><u>2</u></u>	<u><u>2</u></u>

## Lendlease Europe Retail Investments Limited

### Notes to the Financial Statements for the year ended 30 June 2023 (continued)

#### 10 Investments (continued)

Details of the other investments as at 30 June 2023 are as follows:

Name of investment	Principal activity	Country of incorporation	Note	Ownership and voting rights %	
				2023	2022
Lendlease Europe GP Limited	General Partner	United Kingdom	1, 2	4.31%	4.31%

#### Notes:

1. Registered address: 5 Merchant Square, Level 9, Paddington, W2 1BQ
2. The Company holds D shares in Lendlease Europe GP Limited, which is the General Partner for Lendlease Retail LP. Holders of 'D' shares only carry the rights to vote on the appointment or removal of 'D' Directors. They are repaid in preference to 'O' shares on the winding up of the company but carry no rights to a dividend.

#### 11 Trade and other receivables

	30 June 2023	30 June 2022
Current	£	£
Receivables from related parties	<u>3,413,279</u>	<u>3,316,465</u>

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

## **Lendlease Europe Retail Investments Limited**

### **Notes to the Financial Statements for the year ended 30 June 2023 (continued)**

#### **12 Issued capital**

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

	<b>2023</b>		<b>2022</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<u>50,000,001</u>	<u>50,000,001</u>	<u>50,000,001</u>	<u>50,000,001</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.

#### **13 Parent and ultimate parent undertaking**

The company's immediate parent is Lendlease Europe Limited.

The ultimate parent is Lendlease Corporation Limited.

The most senior parent entity producing publicly available financial statements is Lendlease Corporation Limited.



## **Lendlease Europe Retail Investments Limited**

### **Notes to the Financial Statements for the year ended 30 June 2023 (continued)**

#### **13 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:

5 Merchant Square,  
Level 9  
Paddington London  
W2 1BQ

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

The Registrar of Companies  
Companies House  
Crown Way  
Maindy, Cardiff.

#### **14 Subsequent events**

During the subsequent period Lendlease Retail LP was formally wound up. The winding up process completed in December 2023 and all final distributions were issued to investors.